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ABSTRACT

This document contains duties and tasks, multiple-choice test items, and other assessment techniques for Missouri's advanced marketing core curriculum. The core curriculum begins with a list of 13 suggested textbook resources. Next, nine duties with their associated tasks are given. Under each task appears one or more citations to appropriate sections of a textbook resource. The tasks are: (1) communications in marketing; (2) economics and marketing; (3) employment and advancement; (4) human relations in marketing; (5) marketing operations; (6) market planning; (7) physical distribution; (8) sales promotion; and (9) selling. The duties are followed by a section giving two suggested multiple-choice test items for each task. Correct answers are indicated by an asterisk. Part 2 of the document is an expanded list of multiple-choice and true/false test items arranged by duty and task, with correct answers indicated. Part 3 provides the following assessment techniques: role play; oral presentations; business writing exercises; interpretation of tables, graphs, and charts; case studies; matching exercises; written reports; true or false questions; fill-in-the-blank questions; compare and contrast assignments; crossword puzzles; interviews; bookkeeping exercises; and research projects. An answer key and/or assessment rating sheet accompanies each assessment technique. (CML)

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ADVANCED MARKETING CORE CURRICULUM
TEST ITEMS AND ASSESSMENT TECHNIQUES

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CORE
CURRICULUM

for

Advanced Marketing

ADVANCED MARKETING

SUGGESTED TEXTBOOK RESOURCES:

ITM = INTRODUCTION TO MARKETING by Lynch, Ross, and Wray. Gregg Division/McGraw-Hill Book Company, 1st Edition, 1984.

RPP = RETAILING PRACTICES AND PRINCIPLES by Meyer, Haines and Harris, Gregg Division/McGraw-Hill Book Company, 7th Edition, 1982.

OMPM (AD) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: ADVERTISING by Antrim. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (BS) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: BASIC SELLING by Ernest. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (Car) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: CAREERS IN MARKETING by Bikkie. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (Comm) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: COMMUNICATIONS IN MARKETING by Rowe. Gregg Division/ McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (CS) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: CREATIVE SELLING by Ernest. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (DP) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: DISPLAY AND PROMOTION by Smith. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (Econ) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: THE ECONOMICS OF MARKETING by Klaurens. Gregg Division/ McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (HR) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: HUMAN RELATIONS IN MARKETING by Hiserodt. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (Math) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: MATHEMATICS IN MARKETING by Logan and Freemen. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (SYOB) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: STARTING YOUR OWN MARKETING BUSINESS by Ely and Barnes. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

OMPM (W&PD) = OCCUPATIONAL MANUALS AND PROJECTS IN MARKETING: WHOLESALING AND PHYSICAL DISTRIBUTION by Ertel and Walsh. Gregg Division/McGraw-Hill Book Company, 2nd Edition, 1978.

DUTY: 080002A - COMMUNICATIONS IN MARKETING

A001: Teach individual employees to perform job duties.

ITM, Ch. 17, pp. 473-475

A002: Give oral presentations to groups of marketing personnel.

ITM, Ch. 12, pp. 351-352

A003: Interpret management policies to employees.

OMPM (Comm), Ch. 1, p. 3
OMPM (Comm), Ch. 3, p. 110

A004: Interpret employee problems to management.

ITM, Ch. 16, pp. 467-469

A005: Interpret progress of departments, systems, or functions within the business to management.

OMPM (Comm), Ch. 1, pp. 3, 5-9

A006: Compose business letters, reports, and memorandums.

OMPM (Comm), Ch. 7, pp. 96-97, 99

A007: Read a variety of business communications and determine the relevant information.

ITM, Ch. 4, pp. 95-99
OMPM (Comm), Ch. 6, p. 75

A008: Communicate orally or in writing the important information gained from reading and research.

OMPM (Comm), Ch. 5, pp. 61-66
Ch. 7, pp. 90-98

A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

ITM, Ch. 4, pp. 91-99

DUTY: 080002B - ECONOMICS AND MARKETING

B001: Define marketing strategy.

ITM, Ch. 18, pp. 531-532

B002: Identify factors that affect marketing strategies.

ITM, Ch. 18, pp. 531-532

B003: Describe a marketing strategy for a given situation.

ITM, Ch. 18, pp. 531-532

B004: Define promotional mix.

ITM, Ch. 2, p. 36

B005: Describe the potential elements of a promotional mix.

ITM, Ch. 2, pp. 36-40

B006: Identify the major advantages and disadvantages of different forms of product promotion.

ITM, Ch. 2, pp. 36-40

B007: Describe the most important factors that management should consider when designing a promotional mix.

ITM, Ch. 2, p. 43

B008: Identify reasons for government regulation of business activities.

ITM, Ch. 10, p. 295
ITM, Ch. 18, pp. 522-523

B009: Describe how government regulates business activities.

ITM, Ch. 18, pp. 522-523

B010: Describe the types and levels of union organization.

OMPM (Econ), Ch. 4, p. 57

B011: Identify the issues most commonly discussed during labor-management negotiations.

RPP, Ch. 34, p. 274

B012: Explain the effects of unionism on labor and management.

OMPM (Econ), Ch. 4, p. 57

B013: Define international trade.

ITM, Ch. 2, pp. 32-33

B014: Explain why nations engage in international trade.

ITM, Ch. 18, p. 531

B015: Describe how international trade affects the economic interdependence of nations.

ITM, Ch. 18, p. 531

B016: Explain the meaning of business risks.

ITM, Ch. 2, pp. 41-42

B017: Identify types of risks that businesses encounter.

OMPM (SYOB), Ch. 7, pp. 134-136

B018: Explain how businesses deal with the various types of risks.

OMPM (SYOB), Ch. 7, pp. 134-136

DUTY: 080002C - EMPLOYMENT AND ADVANCEMENT

C001: Identify qualities necessary for management/ entrepreneurship.

ITM, Ch. 2, pp. 44-45

C002: Compare personal qualities with those needed for management/entrepreneurship.

OMPM (Car), Ch. 1, p. 3-4

C003: Identify resources available within the community which develop and strengthen management qualities.

OMPM (SYOB), Ch. 2, p. 28

C004: Locate job prospects.

ITM, Ch. 17, p. 475

C005: Describe the full-time employment process.

OMPM (Car), Ch. 2, p. 19
Ch. 7, pp. 141-142

C006: Prepare a resume.

OMPM (Car), Ch. 7, pp. 144-145

C007: Develop a strategy for job hunting.

OMPM (Car), Ch. 7, pp. 141-142

DUTY: 080002D - HUMAN RELATIONS IN MARKETING

D001: Explain theoies of human motivation with employees.

ITM, Ch. 16, pp. 451-458

D002: Maintain a pleasant working environment.

OMPM (HR), Ch. 4, p. 57

D003: Recognize the accomplishments of others.

ITM, Ch. 16, p. 458

D004: Recognize the importance of professional organizations in the marketing field.

OMPM (SYOB) Ch. 2, p. 29

D005: Recognize the importance of trade associations in the specific areas of marketing.

ITM, Ch. 15, p. 420

D006: Recognize the importance of participation in community affairs.

ITM, Ch. 18, p. 524

D007: Recognize the social obligations of marketing.

ITM, Ch. 18, pp. 521-524

D008: Recognize marketing problems involving ethics.

ITM, Ch. 18, p. 521

DUTY: 080002E - MARKETING OPERATIONS

E001: Use sales sheets in reporting daily sales.

OMPM (Math), Ch. 3, p. 42

E002: Maintain records of cash received and bank deposits.

OMPM (Math), Ch. 3, p. 50

E003: Report local, state and federal sales taxes.

RPP, Ch. 28, p. 222

E004: Authorize checks according to the business policy.

RPP, Ch. 28, p. 222

E005: Figure stock turnover.

ITM, Ch. 11, pp. 318-319

E006: Maintain stock control records.

ITM, Ch. 9, pp. 252-256

E007: Determine relationships between stock and sales.

ITM, OMPM (Merch), Ch. 7, pp. 96-97

E008: Complete purchase orders.

ITM, OMPM (Merch), Ch. 6, p. 71

E009: Complete invoices.

ITM, Ch. 9, p. 259

E010: Interpret net income and loss.

OMPM (SYOB), Ch. 5, pp. 87-91

E011: Interpret net sales.

RPP, Ch. 72, p. 573

E012: Interpret gross margin.

OMPM (SYOB), Ch. 5, p. 87

E013: Interpret break even points.

OMPM (SYOB), Ch. 5, p. 97

E014: Interpret stock trnover in relation to department or company operating profits.

OMPM (Merch), Ch. 7 p. 96

E015: Interpret profit and loss statements.

OMPM (SYOB), Ch. 5, pp. 87-91

DUTY: 080002F - MARKET PLANNING

F001: Identify a marketing research problem.

ITM, Ch. 4, p. 105

F002: Plan the research.

ITM, Ch. 4, p. 105

F003: Collect the secondary data.

ITM, Ch. 4, pp. 106-107

F004: Collect the primary data.

ITM, Ch. 4, pp. 108-116

F005: Apply sampling techniques to identify the sample population.

ITM, Ch. 4, p. 116

F006: Prepare the research instrument.

ITM, Ch. 4, p. 114

F007: Prepare the research report.

ITM, Ch. 4, p. 119

F008: Present the research report.

ITM, Ch. 12, p. 351
OMPM (MR), Ch. 7, p. 125

F009: Identify sources of ideas for new products.

ITM, Ch. 6, pp. 152, 162-163

F010: Identify the methods of screening ideas for new products.

ITM, Ch. 6, p. 163

F011: Identify the methods used for evaluating a new product idea.

ITM, Ch. 6, p. 163

F012: Explain the importance of pre-testing a prototype of the new product.

ITM, Ch. 6. pp. 163-164

F013: Describe the forms of product testing.

ITM, Ch. 6, p. 164

F014: Describe the introduction stage of product development.

ITM, Ch. 6, p. 165

F015: Consider the factors that affect pricing.

ITM, Ch. 10, p. 279

F016: Identify the most widely adopted pricing policies.

ITM, Ch. 11, pp. 309-316

F017: Set a pricing objective for a product/service.

ITM, Ch. 10, pp. 286-288

F018: Identify the most widely used pricing strategies.

ITM, Ch. 11, pp. 300-304

F019: Plan sales.

OMPM (Merch), Ch. 2, pp. 18-20

F020: Plan stock

OMPM (Merch), Ch. 2, p. 21

F021: Plan reductions.

IMP, Ch. 11, p. 318
OMPM (Merch), Ch. 2, p. 22

F022: Plan purchases.

OMPM (Merch), Ch. 2, pp. 24-25

F023: Plan markup.

OMPM (Merch), Ch. 2, p. 25

DUTY: 080002G - PHYSICAL DISTRIBUTION

G001: Identify the ways to ship merchandise.

ITM, Ch. 9, pp. 258-265

G002: Compare ways to ship merchandise in terms of cost and suitability.

ITM, Ch 9, pp. 265-266

G003: Trace shipments of merchandise.

OMPM (W&PD), Ch. 5, p. 62

G004: Return damaged merchandise to shipper.

OMPM (W&PD), Ch. 8, p. 111

DUTY: 080002H - SALES PROMOTION

H001: Plan and develop seasonal and storewide themes.

ITM, Ch. 15, p. 417
OMPM (DP), Ch. 3, pp. 35-37

H002: Select products for promotion that are seasonal and timely.

ITM, Ch. 15, p. 417

H003: Check advertising and displays for adherence to store promotional policies.

ITM, Ch. 15, p. 418

H004: Obtain and use current product information necessary for effective and timely promotional activities.

OMPM (BS), Ch. 4, p. 43

H005: Check advertising copy for omissions, additions, and corrections.

OMPM (Adv), Ch. 1, p. 12

H006: Check available quantities of advertised product before a promotion breaks.

OMPM (Adv.), Ch. 7, p. 102

H007: Select the most effective locations within the business to place displays.

OMPM (DP), Ch. 2, pp. 27-28

H008: Plan display changes to maintain customer interest.

OMPM (DP), Ch. 2, p. 19

H009: Allocate promotional space for an item based on its sales volume.

OMPM (DP), Ch. 2, p. 19

H010: Determinee when to dismantle and replace major displays.

OMPM (DP), Ch. 3, p. 42

H011: Coordinate promotional activities with local activities or seasonal events.

OMPM (DP), Ch. 3, pp. 35-37

H012: Schedule displays of products at the same time they are being advertised.

OMPM (DP), Ch. 3, p. 42

H013: Inform personnel of the schedule of company sales promotion activities.

OMPM (DP), Ch. 3, p. 35

H014: Coordinate national or chain advertising with local business promotions.

OMPM (DP), Ch. 3, p. 36

DUTY: 080002I - SELLING

I001: Determine the importance of making an appointment in advance and being on time.

ITM, Ch. 13, pp. 362-365

I002: Deal with the prospective customer's secretary or family member in a professional manner.

ITM, Ch. 13, p. 368

I003: Announce the purpose for the call immediately to the prospective customer.

ITM, Ch. 13, p. 368

I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

ITM, Ch. 13, pp. 361-368

I005: Determine the importance of preparing and organizing sales aids.

ITM, Ch. 13, pp. 368-372

I006: Determine the importance of keeping customer records.

ITM, Ch. 13, p. 365

I007: Plan daily activities to ensure that all duties are performed.

ITM, Ch. 13, pp. 366-367

I008: Maintain accurate, up-to-date customer prospect, daily work and summary records.

ITM, Ch. 13, pp. 363-367

I009: Set sales goals or quotas.

OMPM (CS), Ch. 8, p. 112

I010: Plan sales routes and transportation modes which keep traveling time to a minimum.

OMPM (CS), Ch. 7, pp. 96-97

I011: Make productive use of waiting time.

ITM, Ch. 13, pp. 366-367
OMPM (CS), Ch. 7, p. 97

I012: Use special techniques which increase the selling time.

ITM, Ch. 13, p. 372

I013: Evaluate performance in terms of goals and customers' satisfaction.

ITM, Ch. 13, pp. 378-380
OMPM (CS), Ch. 8, pp. 109-111

I014: Gain audience's attention with a strong opening remark.

ITM, Ch. 13, pp. 368-372

I015: Make a smooth, natural and interesting sales presentation.

OMPM (BS), Ch. 6, pp. 65-78

I016: Show how the product or service will satisfy the needs the group shares.

ITM, Ch. 13, pp. 372-373

I017: Plan for audience participation.

ITM, Ch. 13, p. 372

I018: Provide expert information as to ways in which the product or service can benefit the prospective customer.

OMPM (BS), Ch. 4, pp. 39-48
ITM, Ch. 13, pp. 358-359

I019: Provide full and complete information about a product line or company service.

OMPM (BS), Ch. 4, pp. 39-48

SUGGESTED TEST ITEMS FOR ADVANCED MARKETING

DUTY: 080002A - COMMUNICATIONS IN MARKETING

A001: A list of job duties for each employee is found in the:

A. Job analysis
*B. Job description
C. Job title
D. Job target

A001: The list of job duties is developed from information in the:

A. Job analysis
B. Dictionary of Occupations and Titles
* C. Job description
D. Job title

A002: When giving an oral presentation to marketing personnel, the presenter could be selling a product. (answer: true)

A002: Oral presentations are tools used in public relations. (answer: true)

A003: Company communications that move between supervisors and employees are called:

A. Horizontal communications
*B. Vertical communications
C. External communications
D. Ordinary communications

A003: Which of the following is a company policy that a supervisor may talk about with an employee?

A. Who is to complete the company's annual report
*B. How employees are promoted
C. When the company picnic will be
D. All of the above

A004: Prompt solutions to conflict can be obtained if the conflict is changed to a:

A. Management solution situation
B. One-sided discussion
*C. Problem solving situation
D. Enforcement of the rules

A004: When resolving a conflict, the first step to the solution is to:

A. Collect the facts
B. Implement a solution
C. Select the best solution
*D. Define the problem

A005: Reports describing progress within a business are usually sent:

A. Horizontally
B. Downward
*C. Upward
D. Externally

A005: One of the goals of communications in marketing is to:

A. Simply entertain the audience
B. Earn a fair profit
C. Define internal communications
*D. Make the company more efficient

A006: When composing business letters, the writer should:

A. Not be concerned with the reader's interpretation
B. Be long and wordy
*C. Be accurate
D. Write only one draft

A006: Company memos are used as:

A. Personal notes within a company
*B. Short, informal reports within a company
C. A regular business letter
D. A form to express congratulations to an employee

A007: The best type of reading to determine the relevant information in business communications is:

A. Skimming
B. Scanning
C. Intensive reading
*D. Dependent on the reading purpose and degree of difficulty.

A007: The operating statement of a company tells the reader which of the following relevant information:

*A. The financial summary of the company over a specified period of time
B. The sales of each region as compared to every other region
C. An update of the inventory information at point of sale
D. The actual sales as compared to sales quotas

A008: When preparing to orally communicate information from reading materials, the speaker should:

*A. Assemble the information
B. Draw conclusions
C. Control anxiety
D. Speak in a loud voice

A008: When preparing to write a report to communicate information from research, the writer MUST NOT:

A. List the ideas and facts
B. Determine the purpose of the report
*C. Be inaccurate
D. Write for the reader

A009: When a problem has been identified, marketing research can be used to:

A. Manage marketing activities
B. Validate the company's image
C. Enhance the credibility of the company
*D. Form a basis for solutions

A009: Tables, graphs and charts may show information for:

A. Operations for a specific period
B. Sales by region or territory
C. Inventory control at point of sale
*D. All of the above

DUTY: 080002B - ECONOMICS AND MARKETING

B001: Marketing strategy can be best defined as:

*A. The process of developing and maintaining a fit between an organization and its market
B. The establishment of offering lower prices and quality to the market segment
C. The decrease of direct marketing efforts in order to decrease costs and market share
D. Encouraging risk taking behaviors among the marketing staff

B001: Which of the following IS NOT included in a marketing strategy?

A. The business' mission
*B. The competitors' weaknesses
C. The objectives of the plan
D. Plan implementation

B002: A company can improve its marketing strategy by:

A. Discouraging risk-taking among the company's workers
B. Decreasing direct marketing and increasing costs associated with personal selling
*C. Becoming aware of how competitors are reaching their customers
D. Increasing the costs of the products

B002: Direct marketing efforts used to aid managers in marketing strategies are:

A. Person-to-person sales
*B. Computer-driven direct mail
C. International marketing
D. Energy conservation and costs

B003: The Publisher's Clearinghouse sweepstakes is a marketing strategy used to:

A. Focus on the competitors strengths
*B. Increase direct marketing efforts
C. Encourage risk-taking
D. Increase person-to-person sales

B004: The responsibility of people employed in promotion is to:

A. Inform sellers of customer needs
B. Inform buyers of company products
C. Develop a marketing concept
*D. All of the above

B004: When the Yogurt Stand advertises that their yogurt has fewer calories than the Yogurt Shoppe, they are using the marketing strategy that:

A. Focuses on person-to-person sales
B. Increases direct marketing efforts
*C. Focuses on competitors weaknesses
D. Focuses on getting more for less

B004: Promotional methods can include all of the following EXCEPT:

*A. Finance
B. Advertising
C. Personal selling
D. Public relations

B005: Selling is considered the only activity in marketing. (answer: false)

B005: The consultative approach to selling follows which sequence?

A. Counseling process, support services, need discovery, need fulfillment
B. Support services, counseling process, need discovery, need fulfillment
*C. Need discovery, counseling process, need fulfillment, support services
D. Need discovery, need fulfillment, counseling process, support services

B006: An advantage to advertising is:

A. It follows up the sale with service.
B. It uses only one medium.
*C. It communicates with a large segment of the population.
D. All of these are advantages of advertising.

B006: An advantage of public relations is that:

A. It is nonpaid space in media.
B. It creates a favorable impression of company.
C. It informs the public about research.
*D. All of these are advantages of public relations.

B007: The primary purpose of a manager is to:

*A. Accomplish results through the activities of others
B. Exercise control over product, place, promotion and price
C. Establish structure within a company
D. Accomplish objectives and strategies delineated in the plan

B007: When designing a promotional mix, the manager should consider:

A. The plan of the mix
B. The organization
C. Controlling the progress
*D. All of the above

B008: If sellers set prices after talking with competitors, they are suspected of:

A. Discrimination
*B. Collusion
C. Compromising
D. Adjusting

B008: Government regulations of businesses are necessary in order to:

*A. Insure that the social responsibility of companies is met
B. To decrease competition
C. To promote unethical activities
D. Encourage monopolies

B009: One of the government's product safety regulations is the:

A. Wool Products Labeling Act
*B. Poison Prevention Packing Act
C. Textile Fiber Products Act
D. Magnuson-Moss Act.

B009: The Toy Safety Act requires retailers to prominently display a sign informing customers of hazardous products sold in the store. (answer: false)

B010: A union made up of employees of an industry in a small region is called a:

A. Regional union
B. National union
*C. Local union
D. Seasonal union

B010: Jill has just been employed at a ladies fashion store. Which union would she join?

*A. Retail Clerks International Union
B. National Garment Workers Union
C. Service Employees International Union
D. Women's Fashion International Union

B011: Discussions between organized labor and management in order to solve problems and conflict is called collective bargaining. (answer: true)

B011: One of the issues discussed during labor management negotiations is:

A. Wildcat strikes
B. Retirement pensions
C. Increasing salaries
*D. All of these may be discussed

B012: Which of the following was an attempt to balance the power of labor and management.

*A. Taft-Hartley Act
B. Wagner Act
C. Sherman Anti-Trust Act
D. Smith-Hughes Act

B012: When collective bargaining results in an agreement the union usually goes on strike. (answer: false)

B013: International marketing fundamentals are:

A. Exactly the same throughout the world
*B. Slightly different depending on the customs and technology of the country
C. Totally different in communist and non-communist countries
D. The same as they are for domestic marketing

B013: Multi-national corporations are companies that:

*A. Operate facilities throughout the world
B. Have direct investments in one country
C. Have the largest imports and exports in the world
D. Are owned by several nations

B014: International marketing for American firms will _____ in the future.

A. Significantly decrease
B. Remain constant
*C. Significantly increase
D. Be unknown

B014: One reason American firms become involved in international markets is:

A. The increasing opportunity for products in other countries
B. The increasing sale of foreign products in this country
C. The opportunity of export-import bank loans from the U.S. government
*D. All of the above

B015: One example showing the interdependence of nations in international trade is:

A. General Motors and Toyota teaming up to build cars
B. A tariff being established against foreign-made motorcycles to help Harley-Davidson sales
C. Japan limiting the number of U.S. products that can be sold in Japan
*D. All of the above

B015: The United States economy is isolated and virtually self-sufficient. (answer: false)

B016: Which of the following <u>IS</u> <u>NOT</u> considered a business risk?

*A. Uncomplicated services
B. Damaged products
C. Inappropriate services
D. Failure of products in marketplace

B016: Business risks can be defined as bearing the uncertainty that are a part of the business. (answer: true)

B017: The Occupational Safety and Hazard Administration can aid a business in identifying possible:

A. Crimes
*B. Accidents
C. Vandalism
D. Shoplifting

B017: A business purchases insurance to protect itself from the risk of:

A. Theft
B. Fire
C. Liability
*D. All of the above

B018: A lax business owner discourages shoplifting and burglaries. (answer: false)

B018: Insurance to cover injuries and pay loss due to employee accidents on the job is called:

A. Employee health and life insurance
B. Business interruption insurance
*C. Worker's compensation insurance
D. Key person insurance

DUTY: 080002C - EMPLOYMENT AND ADVANCEMENT

C001: Entrepreneurs are individuals that:

*A. Operate their own businesses
B. Are employed by a corporation
C. Organize and manage a business for someone else
D. Do not assume any of the risks of the business

C001: Which of the following IS NOT a quality of an entrepreneur?

A. Highly motivated for success
B. Goal oriented
*C. A dependent personality
D. Will devote time to the business

C002: When individuals compare their personal qualities to those needed to be an entrepreneur, they should examine their:

A. Employment record
*B. Self-determination
C. Salary history
D. Sense of adventure

C002: When examining your aptitudes for employment, you should evaluate your:

A. People aptitude
B. Things aptitude
C. Data aptitude
*D. All of the above

C003: The Small Business Administration can help an individual develop management qualities through:

A. Federal grants
B. Trade associations
*C. Staff specialists
D. Business development organizations

C003: The Service Corps of Retired Business Executives (SCORE) offers advice to business owners through the Office of Minority Business Enterprise. (answer: false)

C004: When an individual is trying to locate a permanent job, the individual should:

A. Complete a job analysis
*B. Call at personnel offices
C. Recruit job applicants
D. Not read the dictionary of occupational titles

C004: Companies that hire employees from within the corporation are using:

A. Employment agencies
B. External recruitment
*C. Internal recruitment
D. Newspaper employment advertisements

C005: When an opening has been located, the first step to acquiring the position is the:

A. Interview
B. Pre-employment test
C. Checking of references
*D. Application form

C005: The most widely used method of selection is:

*A. Interviewing
B. Testing
C. On the job training
D. Reference checking

C006: A resume contains all of the following information EXCEPT:

*A. Grade transcript
B. References
C. Work experience
D. Career objectives

C006: What is the main objective of a resume?

A. Utilize a business form
B. Incorporate proper spelling
*C. Review the applicant's qualifications
D. All of the above

C007: When hunting for a job, one place that has a listing of available jobs is the:

A. Classified newspaper ads
B. School placement bureau
C. State employment service
*D. All of the above

C007: Former employers may be helpful in locating an employment opening. (answer: true)

DUTY: 080002D - HUMAN RELATIONS IN MARKETING

D001: Managers who use the "Theory X" philosophy for motivating employees:

A. Assume people want to work
B. Assume people should be asked to contribute ideas to decision making.
*C. Assume people have to be controlled
D. Assume people work for praise and reward

D001: Gellerman's principle of psychological advantages states that:

*A. People are more susceptible to their own drives than external forces.
B. People will perform only the minimum amount of work required to perform the tasks.
C. All line supervisors should be treated as responsible adults.
D. Group morale is a stronger motivator than physical factors.

D002: Supervisors are employed to:

A. Catch employees doing something wrong
B. Remind employees of proper procedure
*C. Help employees do a better job
D. Develop comradeship with employees

D002: When a pleasant and safe working environment is provided:

A. Accidents increase
*B. Production increases
C. Profits increase
D. Better relationships develop

D003: It is unimportant to let people know their importance to the organization. (answer: false)

D003: One way supervisors can avoid embarrassment when recognizing the employee's accomplishments is:

A. To postpone their compliments
*B. To give conditional praise
C. To compliment bad as well as good work
D. To make compliments in private

D004: Professional organizations provide services to their members which include:

A. Accountants
*B. Publications
C. Management consultants
D. None of the above

D005: The fastest growing segment in marketing in the last five years has been:

A. Personal selling
B. Advertising
*C. Trade shows and expositions
D. Trade premiums and gifts

D005: Shows in conjunction with annual meetings of professional or specialized organizations are called:

*A. Scientific shows
B. Trade shows
C. Industrial shows
D. Expositions

D006: Marketing professionals can help accomplish needed change because they:

A. Can develop products that are expensively priced
B. Can stimulate demand for energy use
C. Are not people oriented
*D. Are trained in communication

D006: Business can promote social change by:

A. Contibuting tax-deductible funds
B. Encourage employees to become involved in the program
*C. Both A and B are correct
D. Neither A nor B is correct

D007: People in marketing have a responsibility to:

A. The business and its customers
B. The employer and employees
C. The social system
*D. All of the above

D007: It is the responsibility of management to:

*A. Employ proven supervision techniques
B. Be unethical in business practices
C. Engage in business in a free society
D. Act as a deterrent to social change

D008: In marketing, a code of business ethics includes:

A. Disclosure of business secrets
*B. Honesty in customer relations
C. Political bribery
D. Deception in employee relations

D008: Honesty and integrity are considered unethical practices in business. (answer: false)

DUTY: 080002E - MARKETING OPERATIONS

E001: A summary of the day's sales using the audit tape can be made by:

A. Clerk
B. Department
C. Charge
*D. All of the above

E001: The register's audit tape contains the running record of the month's sales. (answer: false)

E002: When determining the daily cash received, you should first compare the cash drawer total to:

A. Total refunds
B. Coupons redeemed
*C. Total cash sales
D. Voids

E002: If the audit tape total is less than the total of the cash drawer, then:

*A. A customer may have been short changed.
B. A customer may have been given too much change.
C. There is not enough money in the drawer.
D. None of the above

E003: Some states may try to attract businesses by:

A. Raising their taxes
*B. Lowering their taxes
C. Collecting taxes from customers
D. None of the above

E003: If the sales tax is 5% of the purchase, what would the sales tax on $14.00 be?

A. $ .07
B. $ .75
*C. $ .70
D. $1.70

E004: When accepting a check for a cash sale, the clerk should ask:

A. To see the customer's social security card.
B. To see the customer's sales check
C. To see the customer's bank statement
*D. To see one or more forms of identification

E004: An acceptable and reliable identification document is:

A. A sales check
*B. A credit card
C. A social security card
D. All of the above

E005: Stock turnover may be calculated based on:

A. Selling price
B. Cost of items
C. Units sold
*D. All of the above

E005: The formula for determining stock turnover is sales times average stock. (answer: false)

E006: Basic stock lists are used in inventory control in which products are:

*A. Sold year round
B. Sold seasonally
C. Sold on special sales
D. Sold for stock reduction

E006: The economic order quantity concept is used to balance ordering costs, storage costs and customer satisfaction. (answer: false)

E007: When a store has stock turnover rate which is too high the store may lose sales because:

A. There is a loss of profits
*B. There are shortages of popular items
C. There is fresher merchandise available
D. There are more markdowns

E007: One advantage of increasing the stock turnover rate is:

A. There is a loss of profit.
B. There are reductions of popular items for sale.
*C. There is a reduction of expenses in relation to sales.
D. There is an increase of markdowns.

E008: Which of the following IS NOT included on a purchase order?

A. Date of the purchase
B. Shipping instructions
C. Description of merchandise
*D. Signature of the seller

E008: A purchase order is a contract between the buyer and the shipper. (answer: false)

E009: An invoice accompanies outgoing orders to the buyer and states the amount due. (answer: true)

E009: Which of the following IS NOT included on an invoice?

A. The stock numbers of the items
*B. Shipping instructions
C. The vendor's name and address
D. Total purchase amount

E010: The final monetary amount after all expenses and taxes have been paid is:

A. Gross margin
B. Break even point
*C. Net income
D. Maintained profit

E010: When calculating net income, _____ is subtracted from gross income.

A. Gross margin
*B. Operating expenses
C. Depreciation
D. Cash generated

E011: Jim and Terry's business sold $55,250 in one year in merchandise. The cost of the goods sold was $41,000. During the year $3,040 worth of goods were returned. What was Jim's and Terry's net sales for the year?

A. $11,210
B. $17,290
*C. $52,210
D. $53,250

E011: The Creating Crafts store had $200 worth of merchandise returned and $75 worth of merchandise exchanged in one month. During that month the store had sold $1,075 worth of goods. What were the store's net sales for the month?

A. $800
*B. $875
C. $950
D. $1000

E012: Dollar amount of sales minus the cost of the goods sold tells a business owner his/her:

A. Depreciation
B. Net income
C. Operating expenses
*D. Gross margin

E012: Gross margin represents the overall income after operating expenses have been subtracted. (answer: false)

E013: If revenue exceeds costs the business is:

*A. Above the break-even point
B. Below the break-even point
C. At the break-even point
D. Realizing a capital gain

E013: The sales volume needed to cover the cash outflow without additional cash represents:

A. Net income
*B. Break-even point
C. Gross margin
D. Cash generated

E014: A high turnover rate makes it possible for a business to be profitable because it:

A. Increases stock shortages
*B. Decreases the store's expenses in relation to its annual sales
C. Increases the store's markups and markdowns
D. Decreases the fresher merchandise available

E014: When a department has a high stock turnover, stock does not have to be _____ in order to sell it.

A. Ordered
B. Marked up
C. Rotated
*D. Marked down

E015: If a new business has calculated that its cost of goods sold equals $3,000, its dollar amount of sales equals $5,000, and its operating expenses equals $2,500, the company is:

A. Making a profit
B. Breaking even
*C. Losing money
D. Realizing a capital gain

E015: When the bookkeeping was finished for the month of December, the manager of the mens clothing department discovered that his gross margin was $10,500. His inventory turnover rate was 3.3 and his operating expenses were $9,000. The manager concluded that his department:

*A. Made a profit
B. Lost money
C. Broke even
D. Had too many employees

DUTY: 080002F - MARKET PLANNING

F001: Which of the following is the best example of a marketing research problem?

*A. Why are the sales of product X declining in territory A?
B. How can we stop declining sales?
C. Is our advertising effective?
D. How should we sell our new product?

F001: According to the Lynch, Ross, Wray Marketing text, which is the most difficult step in the marketing research process?

A. Data collection
*B. Problem formulation
C. Data tabulation
D. Formal investigation

F002: Determining information needs, information sources and methods for gathering primary data are all included in the _____ step of marketing research?

A. Conducting
*B. Planning
C. Searching
D. Collecting

F002: Planning the research of a problem includes which two steps?

A. Primary, secondary
B. Focal, analytical
C. Gathering, conducting
*D. Exploratory, conlusive

F003: Which of the following terms SHOULD NOT be used to evaluate secondary data?

A. Reliability
B. Current
C. Accurate
*D. Interesting

F003: Which of the following is considered secondary data?

A. Questioning your friends about their favorite video.
B. Writing down what you like and dislike about broccoli.
C. Determining which movie is viewed by the most people at movie theaters.
*D. Referring to Rolling Stone magazine for the top ten albums of the month.

F004: Select the appropriate advantage and disadvantage in the observation method of secondary data.

A. Can be collected quickly: experimental.
B. Instant feedback: objective results are received.
*C. The subject does not have to agree to cooperate: collection is subject to bias.
D. Inexpensive: all respondents do not cooperate.

F004: You are on the home-coming dance committee. It is your job to estimate the number of students that will attend. Which of the following <u>IS</u> <u>NOT</u> a method of primary data collection which you could utilize?

A. Recording the number of couples at the previous dance.
B. Distributing attendance questionnaires to all students.
*C. Referring to the records of last year's home-coming dance attendance.
D. Tallying numbers of those indicating that they will attend.

F005: Which of the following methods of survey is both expensive and time consuming but is the most flexible method of collecting primary data?

A. Telephone interview
*B. Personal interview
C. Direct mail
D. Television response

F005: When applying sampling techniques, which method divides the population into sub-groups?

A. Local sample
*B. Area (cluster) sample
C. Universe sample
D. Simple random sample

F005: Regardless of which type of sample you use in your primary research, it will need to represent the _____.

*A. Population
B. Stratification
C. Tabulation
D. World

F006: Indicate which statements are either (T) or (F) when preparing the research document instrument:

F _____ Include as many questions as possible.
T _____ Phrase questions specifically.
T _____ Begin with easy to answer questions.
F _____ Utilize open-ended questions to make tabulation easier.
T _____ The questionaire should be pre-tested for clarity and ease of reading.

F006: In preparing the research instrument which of the following <u>WOULD NOT</u> be considered a position, classification or identification question?

*A. At which store do you shop most frequently?
B. What is your age?
C. In what region of the town do you live?
D. What is your occupation?

F007: What areas should be included in the marketing research written report?

A. Introduction, problem researched, conclusion.
*B. Problem researched, summary, conclusions and recommendations.
C. Introduction, summary, conclusion.
D. Problem researched, survey instrument, summary.

F007: What is the written research report's ultimate use?

*A. To assist decision making
B. As a work of pure primary research
C. As a piece of research expertise
D. To gather information

F008: Creating a central theme, using specific examples and sales techniques to persuade the audience is all a part of:

*A. Presenting a research report
B. Preparing the instrument
C. The summary of the market research project
D. Preparing the research report

F008: Presentation of the research report may include visual aids or a demonstration. (answer: true)

F009: New product generation rarely occurs from which of the following?

*A. Sales reports
B. Competitor's products
C. Research
D. Employee's and consumers product ideas

F009: Which of the following is considered an internal source for new product ideas?

*A. Employees
B. Customers
C. Competitors
D. Consultants

F010: A new idea is screened through a new product committee because:

*A. The idea may not be compatible with the company's objectives.
B. The company may not need new products.
C. The idea may be too expensive to develop.
D. Other methods are not as effective as a committee.

F010: New ideas are channeled through a screening process to insure against potentially poor commitments and investments. (answer: true)

F011: Which method of new product idea evaluation is most efficient?

A. Use of elaborate, expensive consultants.
B. Reports from the head of the research department to keep costs low.
C. Reports developed from key department personnel.
*D. Ranking devices, rating scales or objective questions filled out by a variety of the company's departments.

F011: Which of the following IS NOT a reason for product evaluation?

*A. Industrial acceptance
B. Proper product function
C. Customer need/want fulfillment
D. Protection of company commitment and investments

F012: Laboratory pretesting of a prototype is necessary for all but which of the following?

A. Safety factors
B. Function of product
*C. Customer acceptance
D. Modification of product

F012: Computer simulations of product introductions can provide an alternative to test marketing. (answer: true)

F012: There are no substitutes for test marketing a product under normal buying conditions. (answer: false)

F013: While product testing should not be a major investment to the company, which of the following WOULD NOT be appropriate as a form of product testing?

*A. Offering the new product to all consumers in unusual buying conditions.
B. Utilizing panels of consumers to provide input.
C. Allowing the research laboratory to fully test the product item.
D. Conducting a test over a time length that reflects actual use patterns.

F013: Determine which of the following statements is true (+) or false (-) about test marketing?

(-)_____ Test marketing is inexpensive compared to the average costs of product introduction and normal risk of failure.
(-)_____ Test market cities always predict national results.
(+)_____ Test marketing assures appropriate timeliness in product introduction.
(+)_____ Test marketing does not guarantee successful Product information.

F014: The product introduction stage is reached when the marketer places the new product on the open market. (answer: true)

F014: Commercialization is also known as:

*A. Product introduction
B. Maturity
C. Market acceptance
D. Saturation

F015: Pricing is affected by all of the following factors except:

A. The quantity and quality of the purchased product.
B. The discounts offered.
C. Premiums available.
*D. All of the above.

F015: The economic value of money plays a part in the pricing of a product. (answer: true)

F016: The most popular forms of pricing techniques DO NOT include:

A. Psychological
B. Discount
*C. Promotional
D. Geographical

F016: Psychological pricing is based on the fact that groups of consumers are particularly attracted to certain prices as they increase or decrease. (answer: true)

F017: You are the maker of a new product about to be introduced into the market. Which of the following pricing objectives will best meet that purpose?

*A. Sales maximization
B. Profit maximization
C. Return on investment
D. Target market share

F017: All businesses share the same pricing objective: To make the highest possible profit. (answer: false)

F018: After pricing objectives are set, pricing strategies are developed. Which strategy is not concerned with maintaining a set relationship between price and demand or price and costs?

*A. Competition-oriented pricing
B. Demand-oriented pricing
C. Cost-oriented pricing
D. Profit-oriented pricing

F018: Markup pricing, cost-plus pricing and target-return pricing are all variations of cost-oriented pricing strategies. (answer: true)

F019: Sales can be realistically planned by considering which of the following:

A. Past sales
B. General business conditions
C. Competitive and fashion influences
*D. All of the above

F020: Planned sales are the most important element to consider in a merchandise plan as all other planned figures rely upon anticipated sales. (answer: true)

F020: Which number indicates the correct stock to sales ratio when the sales for the period = $7,000: retail value of the stock for the period = $28,000 and the time period is 3 months.

A. 1.3
*B. 4
C. 9.3
D. 4000

F021: Carefully planned reductions limit the amount of markdowns and increase profits best by:

A. Overestimating inventory shortages
B. Realistic employee payroll projection
*C. Realistic reduction of retail price
D. Overestimating employee discounts for the time period.

F021: Which of the following IS NOT a reason for markdowns?

A. Buying unappealing goods
B. A general decline in prices
C. Competing lower prices
*D. Meeting the markdown allottment

F022: The formula for planned purchases of stock is:

A. Planned sales (+) or (-) markdowns
*B. Planned sales (+) or (-) planned stock
C. Planned stock (+) or (-) markdowns
D. Planned sales (+) or (-) markups.

F022: Why do merchandise plans include planned and actual sales?

*A. To make adjustments for buying plans
B. To determine open-to-buy
C. To control discrepencies
D. To adjust planned sales

F023: The markup formula include all of the following EXCEPT

A. Selling price (-) cost
B. % of cost
C. % of selling price
*D. % of markup

F023: Determine the markup % for a product retailing at $5.00 and having a cost of $1.75 and a stock turn of two.

*A. 65%
B. 75%
C. 2/3%
D. 1/4%

DUTY: 080002G - PHYSICAL DISTRIBUTION

G001: Transportation methods for merchandise include:

A. Waterways, pipelines
B. Railroads, highways
C. Airlines, freight forwarders
*D. All of the above

G001: Which of the following are the most common ways to transport oil?

*A. Waterways, highways, pipelines
B. Pipelines, waterway, airlines
C. Waterways, airlines, freight forwarders
D. Airlines, highways, freight forwarders

G002: Which form of transportation according to the text, is most dependable in form?

*A. Pipeline
B. Truck/highway
C. Waterway shipping
D. Railroad

G002: You are an electrical supply wholesaler. A client client's plant, several states away, was vandalized. The vandalism has necessitated a halt in manufacturing. As his supplier, how will you transport his needed equipment?

A. Highway
B. Railway
C. Waterway
*D. Airline

G003: Company "A" has noticed that a shipment from the wholesaler has not arrived. What is the first step to implement in tracing the shipment of "lost" merchandise?

*A. Company "A" fills out a tracer form and checks with the wholesaler in the tracing department.
B. Company "A" fills out an order form for the unshipped merchandise and gives the order form to the wholesaler.
C. No step is needed as it is the wholesaler's responsibility to insure shipment of all merchandise.
C. The wholesaler fills out a tracing form and delivers it to Company "A" for a check on the merchandise location.

G003: Company "C" has taken ownership of a newly arrived shipment. Upon unpacking, broken merchandise is found. What is the next procedure for getting credit or replacement of the merchandise?

A. Because the breakage occured during shipment, the carrier must fill out consignor loss or damage claims.
B. Company "C" files a loss or damage claim.
*C. Company "C" requests an inspection.
D. A standard form is filed with the carrier.

G004: What is the best way to avoid damaged merchandise?

A. Beware of your carrier's dependability.
*B. Make sure correct inner packing and loading procedures are taken.
C. Close all boxes as securely as possible.
D. Identify the nature of the package/shipment.

G004: When damaged merchandise is found during receiving, the owner can be credited if a claim form is filed. (answer: true)

DUTY: 080002H - SALES PROMOTION

H001: Sales promotion themes may be best developed around:

*A. The merchandise itself, news events, the season or special store promotions.
B. Display availability, colors to be utilized, mannequins.
C. Economic stability, store conditions, management attitude.
D. Customer wants, customer buying attitudes, sales help availability.

H001: Development of seasonal or storewide themes can be planned around news events, holidays or seasons. (answer: true)

H002: Books, watches, pen sets and briefcases would best be promoted during which in-store sales promotion?

A. The Christmas holiday
B. Mother's day
C. National reading week
*D. Graduation (May)

H002: An in-store promotion based on the theme "Switzerland" would inspire what merchandise to be promoted?

A. Vacation goods, swim-suits, towels, straw hats.
*B. Watches, skiing equipment, winter & outdoor clothing.
C. Refrigerators, stoves, household appliances.
D. Bedding sheets, blankets, towels.

H003: Display personnel have the artistic freedom to advertise, display and promote the merchandise of their choice. (answer: false)

H003: Which of the following <u>IS</u> <u>NOT</u> a reason for following store advertising and display policy?

*A. Employee convenience
B. Customer safety
C. Accuracy in sales counts
D. Professional image of the store

H004: Which of the following is best used for current product information in promotional activities?

*A. Trade journals
B. Television
C. Radio
D. Direct mail

H004: Manufacturer's manuals, merchandise tags, and trade journals can provide product information utilized in store promotional activities. (answer: true)

H005: When editing advertising copy, for what are you looking?

A. Paper quality
*B. Omissions, deletions, corrections
C. Layout format
D. The advertised merchandise

H005: Should you fail to check advertising copy for omissions, additions and corrections, what may be your ultimate loss?

A. Advertising budget monies
B. Correct advertising layout
C. Appropriate ad type or text
*D. Customers

H006: What is your main concern about the advertised merchandise once the promotion breaks?

A. Coordination with the theme
B. Stylishness or fashionability of product
*C. Sufficient quantities
D. Sufficient customer appeal

H006: How would you best determine the amount of advertised merchandise to have available for promotion?

*A. Estimate prospective sales of the product
B. Double last years sales
C. Utilize last years planned figures
D. Assume that you will need as much as possible for the wholesaler

H007: Which of the following locations would be most effective for a women's swimwear display?

A. With mens or boys swimwear
B. With a picnic or summer display
C. By the cosmetics counter
*D. In front of the ladies department

H007: Which of the following is the most advantageous location for displays?

A. Parallel to the traffic aisles
B. Areas to the left of customer traffic
C. In between aisles
*D. Entrances and exits

H008: Which of the following IS NOT a characteristic of displays?

A. Arouse customer interest
*B. Difficult to change
C. Stimulate customers to try a new product
D. Remind customers of merchandise benefits

H008: What is the main reason for changing displays frequently?

A. To display as much merchandise as possible
B. To build customer goodwill
C. To maintain the store's fashionability
*D. To provide timely, fresh ideas to the customers

H009: As manager of the houseware department, you are to create a display of your cooking utensils. All BUT which of the following would be appropriate for building sales volume?

*A. Single item displays
B. Related merchandise displays
C. Specialized line of goods
D. Sales displays

H009: Single item displays are most effective for:

A. Promotional goods
B. Sale goods
C. Seasonal merchandise
*D. Image merchandise

H010: When are most displays dismantled?

*A. At the end of the advertisement period
B. At the beginning or end of the week
C. At the change of seasons
D. At the end of the fiscal period

H010: Which of the following would be maintained for the longest period?

A. Easter bonnet display
B. A single-item image display
*C. The institutional Christmas window
D. A promotional sale on Bar-b-que grills

H011: Local activities and seasonal events can be coordinated with:

A. Preparing displays
*B. Promotional activities
C. Display calendars
D. Projected sales increases

H011: Indicate (T) in the blank preceding local activities/seasonal events with appropriate promotional activities. Indicate (F) if the activities have no correlation.

T _____ NASA flight: promotion on telescopes/ binoculars
T_____ Book week: special on all hardback books
F_____ Fathers day: women's wear promotion
F_____ Clearance week: feature institutional displays
F_____ White sale: lawn goods promotion
T_____ Vacation season: swimwear and towel displays
T_____ Visitation of royalty: institutional displays
F_____ Restoration of an old building: Promotion on sheets and blankets

H012: At what time should displays be scheduled in conjunction with advertising?

*A. Simultaneously
B. In advance, for preview
C. Sporadically
D. Afterwards, for full promotional benefit

H012: Displays of products are to be scheduled during their advertisement. Place a (+) in front of the line that provides reasoning for this statement. Place a (-) in front of those that refute it.

\+ A. Develop the store's reputation
\+ B. High light store's professionalism in adhering to and supporting advertised merchandise
\- C. Reduce timeliness of an advertisement
\+ D. Allows customers to handle the promoted merchandise
\+ E. Builds trust in the store's clientele
\- F. Makes advertised products more difficult to find, as they may sell out

H013: Select the most appropriate method of informing personnel of scheduled sales promotion activities.

A. Telephone message
B. Daily meetings
C. Word-of-mouth
*D. Circulate a calendar of events

H013: What is the reasoning behind informing personnel of scheduled sales promotion activities?

A. For best delegation of authority
B. For appropriate communication
C. For best employee access to sale merchandise
*D. For best coordination of all activities

DUTY: 080002I - SELLING

1001: Which of the following statements reflects a professional contact sales call?

*A. "Although my appointment was made for 9:30 a.m., I arrived at 9:15."
B. "My clients are too busy to make appointments for my sales calls, so it is easiest to just drop by."
C. "I think all business people understand that a 9:30 appointment means around 9:15 or 9:45."
D. "If I arrive early to an appointment my client must think I'm not very busy."

I001: What is the most important rule of appointments or interviews?

A. Dress in the current fashion
B. Have command of the conversation
C. Arrive early in the morning
*D. Arrive on time

I002: Which of the following introductions reflects respect to the client's secretary?

A. "Hi. I have a 9:30 appointment."
*B. "My name is Jill St. John with Computer Tron. I have a 9:30 appointment with Mr. Douglas."
C. "Can I see your boss?"
D. "My name is Jill St. John. I need to see the person in charge."

I002: You are a salesman demonstrating a product in the potential customer's home. Various young family members are present. In what manner is it best to deal with these members?

A. Curtly
B. Courteously
*C. Professionally
D. Proficiently

I003: It would be redundant for the salesman to announce the purpose of the sales call immediately to the customer. (answer: false)

I003: As a creative salesperson, how soon into your presentation would you announce the purpose of your sales call?

*A. Immediately, to give your presentation a purpose
B. Mid-way, as you have more important information to relay at first.
C. Mid-way, as to not seem pushy.
D. Closing, to give your presentation a goal.

I004: Planning in advance what sales territory will be covered, is an example of what asset which a good salesperson possesses?

*A. Time management
B. Qualifying prospects
C. Energy conservation
D. Energy management

I004: Planning your sales territory or appointment route is time consuming and is a waste of time management. (answer: false)

I005: What IS NOT a main concern with sales aids utilized in a presentation?

A. Preparation and organization
*B. Expense
C. Synchronicity with the demonstration
D. Clarity

I005: A sales aid may range from an ad or brochure to a demonstration of the product. (answer: true)

I006: What stages of the sale can be best aided by the keeping of customer records?

A. Prospecting and qualifying
B. The sales approach
C. The follow-up
*D. All stages benefit

I006: Research about a prospective customer is the salesman's most valuable information in his customer records. (answer: true)

I007: The best methods for planning daily activities to assure their performance include:

*A. Prioritizing, delegating, and eliminating inefficiencies
B. Delegating, traveling, and waiting
C. Preparing, traveling, and waiting
D. Preparing, delegating, and conserving

I007: Regular time scheduling is one system of insuring all duties are performed. (answer: true)

I008: Dale is a young salesman who just recently joined an insurance agency's sales force. Instead of using his last hour of work making calls, he stays in his office updating files and doing various bookwork. This type of behavior could be classified as:

A. Work alleviation
B. Work procrastination
C. Poor time usage
*D. Good time organization

I009: As a new employee on the sales team, your employer has asked you to develop sales goals for yourself that will show an increase in your division's sales. Which of the following methods would best help you set a sufficient goal?

*A. Average of the previous 3 years sales as a guide.
B. Set an achievable goal that is several percent higher than you originally planned.
C. Set a 10% sales increase goal, as that is the standard.
D. Research your fellow divisions past increases and utilize those figures.

I010: Place a (+) in the blanks preceding statements that keep traveling time to a minimum and a (-) before those that do not decrease traveling time.

\+ _____ Map out your driving route
\+ _____ Utilize the public transportation system when feasible
\- _____ Drive the company car for all errands and calls.
\- _____ Run errands while on your sales route.
\- _____ Save note taking or planning for office time.
\+ _____ Stay on schedule.
\- _____ Stop by every client on your route if you pass their office.
\+ _____ Schedule all appointments.

I011: What percentage of a salesperson's sales day is occupied with traveling, waiting, and trying to to locate the right person to talk to?

*A. 45%
B. 65%
C. 15%
D. 85%

I011: Planning the next call, reading professional literature or having substitute calls are all a part of:

A. Reducing personal business tasks
B. Facing unpleasant tasks
C. Conserving travel time
*D. Productive use of waiting time

I012: What common characteristic is provided by visual aids?

A. Easy to manipulate
B. Decreases the selling time
*C. Increases the selling time
D. Easy to interpret.

I012: Which of the following <u>WOULD NOT</u> be included in techniques that increase selling time?

*A. Requiring inefficient activities
B. Requiring punctuality
C. Delegating work
D. Eliminating inefficient activities

I013: What is the most effective form of self-evaluation that can aid the salesman in meeting his goals and achieving customer satisfaction?

A. Customer callback
*B. Objectives checklist
C. Informal survey
D. Rating from a customer

I013: Postsale activities employ all BUT which activity?

A. Converting first time customer to a regular
B. Thanking them for their business
C. Giving them assurance of the product's expectations
*D. Dealing with buying objections

I014: As a creative salesperson, what would be the best phrase to gain audience attention?

*A. "If I could show you a machine that makes money, would you be interested in hearing more?"
B. "Would you like to hear about our new product X?"
C. "You cannot afford <u>not</u> to hear about my product."
D. "Now that I have your attention, let me tell you about our new product."

I014: The opening remark in a group selling situation should provide a positive tantalizer. (answer: true)

I015: Is there truth in the statement, "If a salesperson has researched and studied enough, there is no need to practice for a smooth, natural and interesting presentation."

A. Yes. Research and product knowledge alleviates the need for practicing a presentation.
B. Yes. Practice makes the presentation seem unnatural and stifled.
C. No. A salesperson must practice every presentation as the "bait" for each client is different.
*D. No. Practice develops a flowing presentation, eye-contact and synchronicity.

I016: What is the most effective way to show how the product/service will satisfy the needs that a group or audience share?

A. Informative graphs and charts
B. Customer testimonials
C. Slides or films
*D. Demonstrations

I016: In a group sales situation, what is the primary purpose of demonstrating your product/service to your audience?

A. To demonstrate your selling expertise.
B. To allow for audience entertainment.
C. To satisfy the needs and wants of your demonstration.
*D. To display the product/service benefits.

I017: Audience participation in a group sales demonstration is best avoided as the outcome is uncertain. (answer: false)

I017: What stage of the sales presentation utilizes audience participation as its best?

*A. Demonstration
B. Handling objections
C. Opening
D. Closing

I018: Which is the best source for providing expert information about your product/service benefits to your customer?

A. Sales brochures/manuals
B. Personal experience
C. Previous customer feedback
*D. All of the above

I018: As a salesperson, it is not necessary to provide full and complete information about a product as it can be obtained from the product's manual. (answer: false)

I019: Which of the following is the best way to make additional sales or suggestive sales to your customer?

A. Spend additional time with your client, showing the best selling products.
*B. Provide complete information about your full company line or service.
C. Promote your most expensive items to your client.
D. Add on an additional item to the sales ticket.

I019: A salesman who provides complete information about the product line or service will appear too pushy. (answer: false)

ADVANCED MARKETING CORE CURRICULUM

Test Items

June, 1989

Test items included in this test bank are keyed to the core curriculum by duty band and competency number.

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1988-1989

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DUTY: COMMUNICATIONS IN MARKETING

A001: Teach individual employees to perform job duties.

When teaching employees to perform job duties one should:

A. greet and welcome new employees.
*B. allow the learner to practice.
C. use quality circles.
D. have name tags.

The most common type of job training is done:

A. in private consulting groups.
*B. on the job.
C. through continuing education.
D. at private workshops.

In order to insure that an instruction is understood correctly, the supervisor should:

A. repeat it three times.
B. write it out.
*C. ask the employee to take notes.
D. explain it.

A002: Give oral presentations to groups of marketing personnel.

When giving an oral presentation to marketing personnel,:

A. it is important to make a sales pitch.
*B. share knowledge and expertise with the audience.
C. be sure the audience is interested in your topic.
D. use visual aids at the beginning and end of presentations.

An oral presentation to marketing personnel should:

A. convey only information the presenter knows is reliable.
B. include words and gestures that will make the message clear.
C. use only words that are necessary.
*D. All of the above.

When planning an oral presentation to marketing personnel one should:

A. hint at the meaning of the message.
B. use complex words to impress the audience.
C. make the point after background information.
*D. keep the message concise and to the point.

A003: Interpret management policies to employees.

Company communication that moves between co-workers is called:

*A. horizontal communication.
B. vertical communication.
C. external communication.
D. ordinary communication.

The type of communication which sets forth what is to be done is:

A. report communication.
*B. instructional communication.
C. internal communication.
D. external communication.

Internal communications are communications intended for suppliers and customers.

True False*

A004: Interpret employee problems to management.

In conflict resolution it is best to work toward a solution of:

*A. win/win.
B. win/lose.
C. lose/lose.
D. lose/win.

With a serious grievance, an employee should have the opportunity to bypass the immediate supervisor and appeal to to higher level supervisors.

True* False

A supervisor:

A. cannot be blamed for the mistakes of subordinates if unaware of them.
*B. is fully responsible for the mistakes of subordinates even if unaware of what was taking place.
C. is only responsible for the mistakes of subordinates if aware of what was taking place.
D. none of the above

Conflicts between co-workers should never be taken to management.

True False*

A005: Interpret progress of departments, systems, or functions within the business to management.

In vertical communication describing what has been done or what has taken place is called:

A. instructions.
B. internal communications.
C. external communications.
*D. reports.

Company communication that move up and down between employees and supervisors is called:

*A. vertical communication.
B. horizontal communication.
C. digital communication.
D. diagonal communication.

Supplier communication is the exchange of information between a business and its customers.

True False*

A006: Compose business letters, reports, and memorandums.

When a person starts to read a written communication, what question(s) do they have in mind?

A. Why was the communication sent to them?
B. How do they benefit?
C. Do they need to take action?
*D. All of the above.

When writing a business letter the writer should be:

A. courteous.
B. accurate.
C. concise.
*D. All of the above.

The part of a business letter asking the reader to take action is the:

A. salutation.
*B. closing.
C. body.
D. complimentary close.

A007: Read a variety of business communications and determine the relevant information.

When the purpose of reading is to gain only the main points or basic facts, the reading technique that should be used is:

A. intensive reading.
B. scanning.
C. reading power.
*D. skimming.

The term that refers to the collection, synthesis and orderly distillation of all available material on a particular industry is:

A. POS (point of sale) print out.
*B. desk research.
C. operating information.
D. market share analysis.

Reading quickly for specific information is extremely important for today's marketers.

True* False

A008: Communicate orally or in writing the important information gained from reading and research.

A speech intended to encourage action is a(n):

A. informative speech.
B. entertaining speech.
*C. persuasive speech.
D. controlled speech.

The component of a Marketing Information System that is used by marketers to collect and analyze specific data to form a basis for making specific problem or project related suggestions is:

A. Internal Information.
B. External Information.
C. Marketing Models.
*D. Marketing Research.

The emphasized points made in a speech should be summarized in the:

A. introduction.
B. body.
C. illustrations.
*D. conclusion.

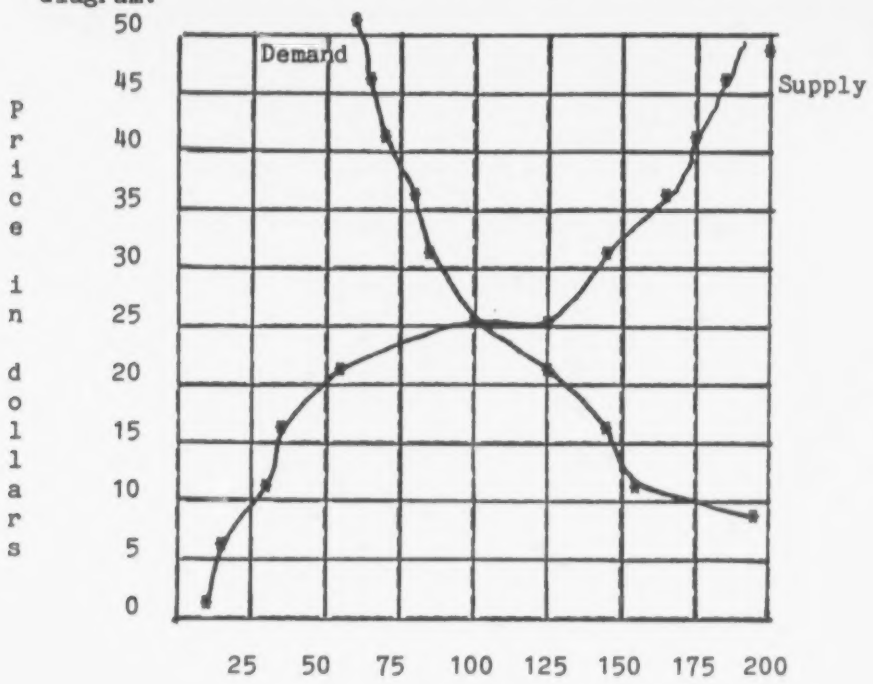
A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

Using the following information, rank the salespeople as far as their importance in selling the most merchandise.

Salesperson	Sales
1	$1,500
2	250
3	875
4	900
5	1,475
6	895

A. 1, 5, 4, 3, 6, 2
B. 5, 1, 3, 2, 4, 6
C. 1, 5, 4, 3, 2, 6
*D. 1, 5, 4, 6, 3, 2

Determine the equilibrium price and units sold from the following diagram.



A. $18, 75 units
B. $15, 150 units
*C. $25, 100 units
D. $40, 175 units

At which price does the marketer maximize total sales revenue?

Selling Price (in dollars)	Quantity Demanded (in units)
5	12,000
6	9,500
7	9,000
8	8,700

A. $5.00
B. $6.00
C. $7.00
*D. $8.00

DUTY: ECONOMICS AND MARKETING

B001: Define marketing strategy.

A company's analysis of <u>why</u> they are in business is their:

A. market segment.
B. objective.
*C. mission.
D. marketing plan.

A company's definition of <u>what</u> they are trying to do is their:

A. market segment.
*B. objective.
C. mission.
D. marketing plan.

A characteristic of a marketing strategy is its:

A. focus on past operations and success.
*B. systematic assessment of the environment to ascertain opportunities and constraints.
C. attention to short-run success.
D. attention to personnel availability and training.

B002: Identify factors that affect marketing strategies.

An integral component of a market segmentation strategy is:

A. a high fashion image.
B. a clear organizational mission statement.
*C. focus on one specific market segment.
D. mass market appeal.

Videotex marketing is an example of:

*A. direct marketing.
B. indirect marketing.
C. telemarketing.
D. demographic marketing.

How a company fits their mission and objectives together is an example of:

A. Control Planning.
*B. Strategic Planning.
C. Marketing Mix.
D. Marketing Research.

B003: Describe a marketing strategy for a given situation.

Which of the following retailers is most likely to use market share as an objective?

A. Neighborhood restaurant
B. Regional dry cleaning/clothing alteration chain.
C. New car franchise.
*D. National department store chain.

The ACME Corporation operates both traditional department stores and discount stores. This strategy illustrates:

A. target marketing.
B. mass marketing.
C. market segmentation.
*D. multiple segmentation.

Avon, Hartmarx, and Firestone utilize

A. an independent vertical marketing system.
B. a partially integrated marketing system.
*C. a fully integrated marketing system.
D. franchising.

B004: Define promotional mix.

A TV station covers the opening of a new store. This method of promotion is called:

A. sales promotion.
B. public relations.
*C. publicity.
D. advertising.

The main advertising medium for most retail stores is:

*A. newspaper.
B. radio.
C. catalog.
D. direct mail.

Promotional ads are designed to attract customers and boost sales.

True* False

B005: Describe the potential elements of a promotional mix.

Which element in the promotional mix generally emphasizes novelty?

A. Publicity
B. Personal Selling
*C. Sales Promotion
D. Advertising

Which element in the promotional mix has the greatest focus in the short-run?

A. Publicity
*B. Sales Promotion
C. Advertising
D. Personal Selling

Advertising, publicity, personal selling and sales promotion are the four elements of:

A. communication channels.
B. selling.
C. communication.
*D. promotion.

B006: Identify the major advantages and disadvantages of different forms of product promotion.

A major advantage of advertising is that:

*A. cost per viewer or reader or listener are low.
B. media costs are free.
C. advertising has higher credibility.
D. immediate feedback is provided.

A disadvantage of publicity is:

*A. the business has no control over the presentation.
B. the presentation is not always timely.
C. the business does not always have the product or service available.
D. all of the above

A major disadvantage of publicity is that:

A. credibility is low.
B. effectiveness cannot be assessed.
*C. there is no control over message, timing, placement and coverage.
D. a small audience is addressed.

B007: Describe the most important factors management should consider when designing a promotional mix.

The most important factors management should consider when designing a promotional mix is to:

*A. coordinate activities of others to achieve results.
B. plan for a specific activity.
C. establish structure and accomplish objectives.
D. issue assignments and give directions to accomplish objectives.

When marketing managers plan the marketing mix, they:

A. set up the overall plan for the business.
B. plan for a specific department.
C. plan for a specific promotion.
*D. All of the above.

The marketing manager does not have to involve him/herself with the marketing mix.

True False*

B008: Identify reasons for government regulation of business activities.

Manufacturers can legally require dealers to charge specific prices for their products.

True False*

Price setting is legal if:

*A. a leader sets a price and others follow.
B. businesses get together and decide on a price.
C. a firm offers different prices to different buyers.
D. businesses advertise low prices and charge original price.

Which of the following laws is concerned with Marketing Credibility?

A. Consumer Product Safety
B. Consumer Credit Protection Act
*C. Magnuson-Moss Warranty Act
D. Poison Prevention Packaging Act

B009: Describe how government regulates business activities.

Which of the following Federal agencies deals with the health and safety of employees in a business?

A. FTC
B. OASDI
C. FAA
*D. OSHA

Direct to home sales practices are restricted by:

*A. Green River laws.
B. blue laws.
C. minimum resale laws.
D. zoning restrictions.

Federal regulations require that:

A. only standardized examinations can be used in personnel testing.
B. achievement tests be used instead of aptitude tests in personnel selection.
C. weighted application tests be used instead of application tests in personnel selection.
*D. only questions that are directly related to job performance be asked in the selection process.

B010: Describe the types and levels of union organization.

A type of union made up of workers in a particular occupation or in closely related occupations is known as:

A. labor union.
B. industrial union.
*C. craft/trade union.
D. affiliate union.

Unions seek uniformity in wages and working conditions.

True* False

Retail unions have made their biggest inroads with:

A. employees of variety and discount stores.
B. salespeople in department stores.
C. employees of fast food restaurants.
*D. sales-supporting employees.

B011: Identify the issues most commonly discussed during labor-management negotiations.

Which of the following causes employees to seek a union?

A. Better pay
B. To overcome treatment seen as unjust
C. To gain means for recognition
*D. All of the above

Issues discussed during labor management negotiations include:

A. pricing policies.
*B. working conditions.
C. promotional mix.
D. stock turnover.

When employees go out on strike it is called arbitration.

True False*

B012: Explain the effects of unionism on labor and management.

In the early history of unions almost everything unions did was legal.

True False*

What situation exists when management decides to temporarily close the business and stop production during a labor conflict in order to exert pressure on the union?

A. Strike
*B. Lockout
C. Boycott
D. Injunction

The law that allows employees and employers to bargain is the:

A. Wheeler Lea Act
B. Taft-Hartley Act
*C. Wagner Act
D. Sherman Anti-Trust

B013: Define international trade.

Buying and selling of products throughout the world is known as international trade and includes:

A. imports only.
B. trade deficits and surpluses.
C. exports only.
*D. imports and exports.

International marketing can be defined as:

*A. marketing products and services in foreign countries.
B. developing countries in need of American products.
C. receiving more than 50% of profits from foreign sales.
D. firms that pay tariffs.

Foreign companies that do business in the United States are an example of international marketing.

True* False

B014: Explain why nations engage in international trade.

Countries that can produce certain goods and services more efficiently than other countries are said to have:

*A. comparitive advantages.
B. competitive prowess.
C. better employment skills.
D. greater technologies.

The dependency of nations results in increased demand for products and services.

True* False

One reason countries engage in international trade is:

A. some countries have advantages of favorable climates.
B. some countries have advantages of natural resources.
C. some countries have advantages of a skilled labor force.
*D. all of the above

B015: Describe how international trade affects the economic interdependence of nations.

If country A is selling a product and country B needs that product, which country benefits?

A. Country A because they can make a large profit.
B. Country B because importing is inexpensive.
C. Neither, because importing and exporting is expensive.
*D. A and B will benefit.

Interdependence of nations has lead to the concept of:

A. marketing by government agencies.
*B. international marketing.
C. fine-tuning marketing, strategic planning.
D. industrial marketing.

The interdependence of a global economy is a result of:

A. importing.
B. exporting.
C. tariffs.
*D. importing and exporting.

B016: Explain the meaning of business risks.

Business risks include which of the following?

A. Theft
B. Fire
C. Flood
*D. All of the above

Risk taking by a business involves trying to reduce uncertainty by anticipating possible losses and preventing them.

True* False

Risk taking is the degree of risk that a business is willing to accept.

True False*

B017: Identify types of risks that businesses encounter.

Shifts in consumer demand are an example of:

*A. economic risk.
B. natural risk.
C. human risk.
D. bonding risk.

Perishability of products is an example of:

A. economic risk.
*B. natural risk.
C. human risk.
D. bonding risk.

Business risks can be classified into:

A. economic risk.
B. natural risk.
C. human risk.
*D. all of the above.

B018: Explain how businesses deal with the various types of risks.

Insurance that covers loss caused a by temporary halt in business is called:

*A. business-interuption.
B. setback.
C. liability.
D. risk.

What type of insurance is designed to guarantee against loss due to dishonesty of employees?

A. Theft insurance
B. Liability insurance
C. Embezzlement insurance
*D. Fidelity bonds and surety bonds

Which of the following is a way a business can transfer risk?

A. Insurance
B. Subcontracting
C. Leasing
*D. All of the above

DUTY: EMPLOYMENT AND ADVANCEMENT

C001: Identify qualities necessary for management/entrepreneurship.

Which of the following items does <u>not</u> describe a positive characteristic of the manager/entrepreneur?

A. Independent
B. Developer
*C. Biased toward expediency
D. Shrewd

An entrepreneur/manager implements the marketing concept through:

A. financing.
B. marketing.
C. management.
*D. All of the above

Which of the following items presents a characteristic of managers that empowers them to influence employees?

A. Authority of position
B. Power of charisma
C. Authority of knowledge
*D. All of the above

C002: Compare personal qualities with those needed for management/entrepreneurship.

Which of the following is a category that the ideal manager should demonstrate?

A. Technical competence
B. Social competence
C. Interpersonal competence
*D. All of the above

Which of the following is not a characteristic of an ideal manager?

A. Encourages innovation
*B. Makes all decisions
C. Loyality
D. Gives feedback on performance

The sum of your aptitudes, and mental and physical makeup is an example of:

*A. personality.
B. character.
C. intelligence.
D. temperment.

C003: Identify resources available within the community which develop and strengthen management qualities.

A good source within the community to strengthen management qualities are:

A. local computer experts.
*B. community education courses.
C. subscribe to professional magazines.
D. all of the above.

Newsletters from community organizations are a good way to strengthen management qualities.

True* False

John is interested in improving his managerial skills. One of the ways he plans on doing this is to attend Chamber of Commerce meetings. Do you agree this is a good idea?

True* False

C004: Locate job prospects.

Promotion from within is commonly practiced by business with regard to:

A. top level executives.
B. all types of executive positions.
*C. lower and middle-level executives.
D. staff positions only.

Studies show that companies who recruit internally have higher employee morale.

True* False

When firms recruit from external sources for marketing positions, the sources they could use are:

A. advertising and taking applications.
B. employment agencies.
C. recommendations from current employees.
*D. all of the above.

C005: Describe the full-time employment process.

When looking for full time employment:

*A. read all help wanted ads in the newspaper.
B. apply only for jobs you are interested in.
C. have friends get applications for you.
D. all of the above.

A document that describes your work experience, education, career objective, and related activities is a:

*A. resume.
B. letter of inquiry.
C. letter of reference.
D. letter of application.

In the typical marketing business selection process:

A. the personnel department screens candidates and makes the final hiring decision.
B. the personnel department acts merely to process applications and match with available openings.
*C. the personnel department screens candidates and final hiring decisions are made by the executive for whom the employee will be working.
D. the personnel department is involved in hiring part-time workers and is not responsible for selecting management trainees.

C006: Prepare a resume.

A primary purpose of a resume is to:

A. provide the applicant an opportunity to express themselves.
B. give the interviewer a check list of the applicant's activities.
*C. list the qualifications of the applicant.
D. serves as a resource in filling out the application blank.

A resume is important at a job interview because it:

A. provides the employer with information about you.
B. answers questions the employer may forget to ask.
C. promotes an atmosphere of professionalism.
*D. all of the above.

A resume shows a prospective employer:

A. your accomplishments.
B. your ability to communicate in a written format.
C. your ability to organize in a clear and concise manner.
*D. all of the above.

C007: Develop a strategy for job hunting.

When job hunting it is important that you have aptitude and intelligence tests on file.

True False*

The first thing to do when planning to look for a job is:

A. visit the State Employment Service.
B. obtain applications.
*C. prepare a resume.
D. read the help wanted ads.

When developing a strategy for obtaining a full-time position in marketing, you should determine which of the following prior to soliciting a position?

A. Salary range that you will accept
B. Geographic location you will accept
C. Type of position or firm that you would consider joining.
*D. All of the above should be determined.

DUTY: HUMAN RELATIONS IN MARKETING

D001: Explain theories of human motivation with employees.

Which motivational theory recommends managers "stretch" employees by assigning more difficult and higher level duties?

A. McGregor's Theory X/Theory Y
B. Ouchi's Theory Z
C. Mayo's Hawthorn Effect Theory
*D. Gellerman's Principle of Psychological Advantage Theory

According to Herzberg's theory:

A. economic inducements provide motivation.
*B. satisfiers are distinct from dissatisfiers.
C. satisfiers include company policy and salary.
D. dissatisfiers include achievement and growth or advancement.

A marketer with a Theory X orientation would most likely employ:

A. a promotion from within policy.
B. comprehensive training programs to enrich employees.
C. job rotation and a flat organization.
*D. specialization and a tall organization.

D002: Maintain a pleasant working environment.

Reducing uncertainty in the work environment can be done by:

A. destroying the grapevine.
*B. supervisors sharing all information with subordinates.
C. guarding all important company information.
D. dismissing rumor passers.

Pleasant, safe working conditions have been shown to cause:

A. little change in employee attitudes.
*B. increased productivity.
C. customers to believe prices are high to pay for posh offices.
D. increased overall cost of operating a business.

Customer service can be enhanced when employee working conditions are improved.

*True False

D003: Recognize the accomplishments of others.

A Theory X manager believes praise is a major motivating force for improving employee performance.

True *False

The best way to prevent employees from "taking it easy" after complimenting them is to:

*A. set future goals during the compliment.
B. refrain from giving praise.
C. compare their work to a more successful peer.
D. give praise sparingly.

Which of the following is <u>not</u> a common reason which prevents managers from praising employees?

A. It commits the manager to premature judgements.
B. It causes employees to take it easy.
*C. Employees rarely respond to praise.
D. Some managers feel praise is too emotional.

D004: Recognize the importance of professional organizations in the marketing field.

A professional in marketing should join professional organizations in the field for which of the following reasons?

A. To receive current publication in marketing.
B. To stay abreast of current trends in marketing.
C. To identify problems and solutions in marketing.
*D. All of the above

Professional organizations in marketing can provide a variety of materials and assistance to individuals engaged in the marketing profession.

*True False

Which of the following professional organizations provides marketing professionals with up-to-date information through its publication program on current trends in the field?

A. American Management Association
*B. American Marketing Association
C. National Federation of Merchants
D. Sales Executives of America

D005: Recognize the importance of trade associations in the specific areas of marketing.

The phrase "person-to-person marketing medium" refers to which type of marketing activity?

A. consumer contests
B. trade premiums
C. point-of-purchase displays
*D. trade shows

Trade shows provide an opportunity to combine:

A. consumer premiums and samples.
B. personal selling and trading stamps.
*C. promotion and personal selling.
D. coupons and promotion.

Many businesses often send buyers or management representatives to trade shows. The main purpose of trade shows is to:

A. cut costs of traveling salespersons.
*B. bring buyers and sellers together to do business.
C. enable businesses to present a favorable image.
D. follow through on all leads given by salespersons.

D006: Recognize the importance of participation in community affairs.

Which of the following is <u>not</u> a typical marketer reaction to a community relations commitment?

A. It is an attempt to gain goodwill and prestige.
*B. It is unavoidable in order to match competitive efforts.
C. It is a desirable thing to do because business benefits from the betterment of the community.
D. All of the above

Which of the following statements is <u>least</u> true regarding marketer community relations involvement?

*A. Major retail chains, headquartered in distant cities, typically have not participated much in local community relations.
B. A firm can go so far in community relations involvement that profits suffer.
C. Some retailers approach community relations activities from selfish motives.
D. Direct short-run benefits to a participating retailer of a commitment to community relations are not obvious.

Membership in the local Chamber of Commerce is:

A. required for all businesses.
B. required for only retail businesses.
C. required for only manufacturers.
*D. voluntary.

D007: Recognize the social obligations of marketing.

Which of the following is an example of consumer protection legislation designed to improve marketing credibility?

*A. Fair Packaging and Labeling Act
B. Poison Prevention Packaging Act
C. Fair Credit Billing Act
D. Toy Safety Act

Which of the following is <u>not</u> directly an issue of social responsibility of marketing?

*A. Opening stores in the suburbs
B. Downtown decay
C. Minority hiring
D. Product safety

Which of the following is <u>not</u> an attribute of good marketing employees?

*A. self-promoting
B. honest
C. hardworking
D. loyal

D008: Recognize marketing problems involving ethics.

Which of the following statements is most valid?

A. Ethics and law are basically the same thing.
B. Anything that is unethical is against the law.
C. Anything that is illegal is unethical.
*D. Something may be unethical but not illegal.

Adhering to honesty and integrity in customer relations is called:

A. a code of business interest.
B. a business' mission.
*C. a code of business ethics.
D. a business' strategy.

Which of the following statements is most valid?

A. Ethical conduct adversely affects profits.
B. Ethical conduct can maximize profits in the short run.
*C. Ethical conduct can maximize profits in the long run.
D. There is no relationship between ethics and profit.

DUTY: MARKETING OPERATIONS

E001: Use sales sheets in reporting daily sales.

Where do you find the information needed to report daily sales?

*A. detailed audit sheet
B. multiple-item cash sale
C. inventory receipt log
D. detailed personnel schedule

Electronic point-of-sale systems allow businesses to develop up-to-date sales reports.

True* False

The tape inside a cash register that shows the amount of cash sales recorded in the register during a reporting period is called:

*A. daily summary tape.
B. customer audit tape.
C. detailed audit strip.
D. sales report tape.

E002: Maintain records of cash received and bank deposits.

Which of the following records is <u>not</u> considered when "proving cash"?

A. Audit-tape readings of total pay-outs
*B. Audit-tape readings of total credit sales
C. Voided receipts
D. The cash report showing the amount of cash turned in at the end of the day.

If the audit tape total is less than the total of the cash drawer, you have:

A. a cash short.
B. lost a void receipt.
*C. a cash over.
D. an inventory shortage.

What is one cause of a cash shortage?

A. A customer was overcharged.
B. A customer was given too little change.
C. Merchandise was stolen.
*D. A customer was given too much change.

E003: Report local, state and federal sales taxes.

Jack's Record Shop must pay .3% city tax, 5% state tax and 2% federal tax. If sales were $100,000 last year, then Jack owes:

A. $30 in state tax, $5,000 in local tax and $200 in federal tax
B. $3,000 in city tax, $5,000 in state tax and $2,000 in federal tax
*C. $300 in city tax, $2,000 in federal tax and $5,000 in state tax
D. None of the above

Most retailers do not require their customers to pay the business' sales taxes.

True *False

When a business collects sales taxes on purchases made by customers, an accounting of these taxes must be made to which of the following agencies?

*A. Federal, state, and local governments
B. Federal and state governments
C. State and local governments
D. Federal and local governments

E004: Authorize checks according to the business policy.

What should a salesperson do if the name on a customer's check does not match his/her identification cards?

A. Call the bank.
B. Call the police.
C. Accept the check anyway so a sale isn't lost.
*D. Consult his/her supervisor.

Personal identification can be used to help catch check forgers.

True* False

Which of the following checks cannot be cashed?

A. A check without a signature.
B. A check that has an altered signature.
C. A check that has a signature in pencil.
*D. All the above checks are uncashable.

E005: Figure stock turnover.

Which of the following is used to measure stock turnover?

A. Units
B. Dollars at cost price
C. Dollart at retail
*D. All of the above

What is the formula for figuring stock turnover?

A. Average stock ÷ Sales
B. Average stock - Average sales
*C. Sales ÷ Average stock
D. Sales x Average stock

Last year a certain department had sales of $60,000 and a turnover rate of 3. A turnover rate of 4 is desired in the year ahead. If sales volume remains the same, by how much must the average stock be reduced?

A. $2,500
B. $4,000
*C. $5,000
D. $7,500

E006: Maintain stock control records.

Inventory levels are influenced mainly by:

A. visual merchandising needs.
B. the cost of goods and current product promotions.
*C. market needs and cost factors.
D. market research analysis.

Excess inventory could be called:

A. model stock.
*B. safety stock.
C. basic stock.
D. consumer stock.

Activities involving the physical movement of inventory from the point of orgin to the point of use is called:

*A. business logistics.
B. stock mapping.
C. stock flowcharting.
D. inventory transport systems.

E007: Determine relationships between stock and sales.

When stock levels are low in relation to demand:

*A. sales are lost.
B. additional mark-downs should be taken.
C. profits are at their highest level.
D. the buyers are doing a good job of predicting sales trends.

When stock levels are higher than demand:

A. profits are at their highest point.
B. the stock turnover rate is also high.
C. prices are too low.
*D. extra mark-downs will be needed to increase the stock turnover rate.

A retailer or wholesaler can increase the profits of a business by increasing the stock turnover rate.

True* False

E008: Complete purchase orders.

Quantity	Stock No.	Description	Unit Price	Total Amount
24	1010	Yellow umbrellas	24.00	1.00
18	1017	Bubble-making wands	9.00	.50
32	2053	Sandbox buckets w/shovels	64.00	2.00
12	4397	Tonka firetrucks	60.00	5.00

The "order" section of the above purchase order is accurately prepared.

True False*

The original purchase order goes to the _____, while the copy goes to the _____.

A. shipper; salesperson
B. buyer; supplier
*C. supplier; buyer
D. supplier; salesperson

When is a purchase order issued?

A. While the salesperson makes his/her presentation.
*B. After the terms of the sale and transportation have been negotiated.
C. After delivery of the goods.
D. After the delivery date is negotiated.

E009: Complete invoices.

Invoices include the price, the total cost per item and the _____ of the merchandise purchased.

A. quality
B. weight
C. packaging specifications
*D. quantity

For an invoice for $100.00, dated October 1, terms include 2/10, net 30; anticipation of 6 percent is permitted. If the bill is paid on October 10, the amount paid will be:

A. $97.00.
B. $97.02.
*C. $98.00.
D. $100.00.

What is included on an invoice?

A. The amount due
B. The freight charges
C. The terms of payment
*D. Both A and C

E010: Interpret net income and loss.

When a company's expenses are greater than its gross profit, the company is operating at:

A. a net profit.
*B. a net loss.
C. a positive income level.
D. too little information to determine.

In order for a company to have a net income, fixed expenses must be greater than variable expenses.

True False*

The return on net worth ratio is based on a marketer's

A. net profit, fixed assets, and fixed liabilities.
B. net profit, current assets, and current liabilities.
*C. net profit, total assets, and net worth.
D. net profit, total assets, and net sales.

E011: Interpret net sales.

Profitability per dollar of sales is measured by which ratio?

*A. Return on net sales
B. Return on net worth
C. Assets to net sales
D. Account payables to net sales

Net sales equal gross sales minus:

A. cost of goods sold.
B. taxes.
C. assets.
*D. returned sales.

A marketer can improve its return on net sales by:

A. increasing its inventory turnover.
B. increasing its initial markup.
C. reducing operating expenses.
*D. all of the above

E012: Interpret gross margin.

Gross margin is calculated by _____ the cost of goods sold _____ the dollar amount of sales.

A. adding; to
B. dividing; by
C. multiplying; by
*D. subtracting; from

The definitions of gross profit and gross margin are identical.

True* False

Gross margin represents:

A. total sales less returns and outstanding accounts.
*B. the total income before operating expenses have been subtracted.
C. the difference between net profit and gross profit.
D. the cost of operating a business.

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E013: Interpret break-even points.

When annual net sales are _____ the break-even point, the business is profitable.

A. below
B. equal to
*C. above
D. cannot determine from sales

When should the break-even point be calculated?

*A. At any time, as needed
B. At the beginning of the calendar year
C. At the end of the fiscal year
D. At the end of every month

The break-even point is the level of sales needed to cover all expenses.

True* False

E014: Interpret stock turnover in relation to department or company operating profits.

A rapid turnover of goods usually results in:

A. greater return on money committed to inventory.
B. fresher merchandise.
C. reduced expenses.
*D. all of the above.

What can occur when a stock turnover rate is too high?

A. The business is at its most profitable level.
B. The business has its prices set at the most profitable level.
C. Stock demand equals supply.
*D. The business loses profits.

Differences in stock turnover for various categories of goods can be partly explained by:

*A. frequency of purchase.
B. competition.
C. fashion emphasis.
D. bellwether departments.

E015: Interpret profit and loss statements.

If the ending inventory is overstated in the present period, what will be the effect on net profits in the next accounting period?

A. They will be balanced.
*B. They will be understated.
C. They will be overstated.
D. There will be no effect on net profit.

Rent, depreciation, and business licenses are all examples of _____ on a company's profit and loss statement.

A. fixed assets
B. variable expenses
C. variable assets
*D. fixed expenses

Gross profit minus _____ equals Net Profit Before Taxes, on a company's profit and loss statement.

A. cost of goods sold
*B. operating expenses
C. fixed expenses
D. inventory purchased

DUTY: MARKET PLANNING

F001: Identify a marketing research problem.

The Tiny Tots Toy Company has just developed a new coloring book. What type of marketing research should be done?

A. Focus
B. Conclusive
*C. Exploratory
D. Internal

The first stage in the marketing research process is:

A. generation of primary data.
*B. problem definition.
C. data formatting.
D. examination of secondary data sources.

A clear statement of the topic to be examined in marketing research involves which stage of the marketing research process?

A. Recommendations
*B. Problem definition
C. Secondary data collection
D. Implementation

F002: Plan the research.

A method for informatl discussion with consumers is:

*A. a focus group.
B. the exploratory stage.
C. the conclusive stage.
D. a quality circle.

The most difficult task in the research process is:

A. gathering preliminary information.
B. conducting the preliminary investigation.
C. conducting the formal investigation.
*D. formulating the research problem.

The stages in the marketing research process must be done sequentially.

*True False

F003: Collect the secondary data.

Information previously gathered for other purposes is:

A. marketing information system data.
B. syndicated data.
*C. secondary data.
D. primary data.

Which of the following resources would be utilized in obtaining secondary data?

A. Government agencies
B. Corporations with commercial data
*C. Public libraries
D. All of the above

Which of the following is <u>not</u> a source of non-governmental secondary data?

A. Regular periodicals
B. Commercial research houses
C. Books and monographs
*D. Customer observations

F004: Collect the primary data.

The most inexpensive survey method is:

A. mail.
*B. telephone.
C. in person.
D. direct.

A restaurant is interested in discovering how long each customer has to wait to be served. The best method for gathering this data is:

A. a questionnaire.
B. surveying in person.
*C. observation.
D. experimental.

Data which can be developed through surveys, experiments, observation, and simulation are:

A. secondary data.
*B. primary data.
C. marketing research data.
D. marketing information systems data.

F005: Apply sampling techniques to identify the sample population.

Sampling is based upon judgement or convenience in a:

A. probability sample.
*B. nonprobability sample.
C. telephone survey.
D. simulation.

In a probability sample:

*A. every unit has an equal or known chance of being chosen for study.
B. every unit studied is chosen by the researcher based on judgement or convenience.
C. data is selected for use by the researcher based on its relevance.
D. data cannot be extrapolated due to unknown sampling error.

When using a questionnaire survey method, individuals similar to the population who will be surveyed should be asked to complete the questionnaire.

True* False

F006: Prepare the research instrument.

The survey technique with the fastest response is a(n):

*A. telephone survey.
B. experiment.
C. mail survey.
D. personal survey.

Interviewer bias is minimized in which survey form?

A. Telephone survey
*B. Mail survey
C. Personal survey
D. Semantic differential

Respondent cooperation is <u>not</u> required in which primary data source?

A. Personal survey
B. Telephone survey
C. Mail survey
*D. Observation

F007: Prepare the research report.

Research reports in large marketing firms are almost always presented in:

A. written form.
B. oral form.
*C. written and oral form.
D. telecommunications.

What is the last step in completing a marketing research project?

A. Process and analyze data.
B. Design the data gathering instrument.
*C. Prepare the written report and presentation.
D. Determine research methodolgy.

When processing and analyzing the data gathered in the marketing research project, the data must be:

A. categorized.
B. summarized.
C. tabulated.
*D. all of the above

F008: Present the research report.

After questionnaires have been processed and analyzed, the results are presented in the form of:

A. written text only.
B. diagrams and photos.
C. blue prints and layout sheets.
*D. charts, graphs, and tables.

When presenting research material, data should be presented in a clear, concise manner.

True* False

When making an oral presentation of the findings of a market research report to a group, you should:

A. have visuals of the report.
B. possess all of the facts pertaining to the report.
C. have all supporting information available.
*D. all of the above

F009: Identify sources of ideas for new products.

Marketers use many external sources to generate product ideas. Which of the following is <u>not</u> an external source?

A. Trade associations
B. Marketing research firm
C. Marketing publications
*D. Salespeople

Sources for the idea generation stage for a new product include the following except:

A. new product departments.
B. customers.
C. technology and development departments.
*D. All of the above are sources.

Which of the following is considered an external source for new product ideas?

*A. Competitors
B. Salespeople
C. Management
D. None of the above

F010: Identify the methods of screening ideas for new products.

The concept statement would include:

*A. a description of the product idea.
B. benefits for the firm.
C. the design of the product.
D. all of the above.

A product idea should match a potential target market.

True* False

Some companies use rating devices to rank product ideas before:

A. moving to product development.
*B. moving to the next stage of idea screening.
C. idea generation.
D. test marketing.

F011: Identify the methods used for evaluating a new product idea.

Future sales, cost, and profits of a new product idea will all be estimated in the:

A. idea generation stage.
B. idea screening stage.
*C. business analysis stage.
D. product development stage.

Which of the following methods is used by marketers to evaluate new product ideas?

A. Consumer survey
B. Test market
C. Competitor observation
*D. All of the above

An on-paper concept testing of a new product occurs during the business analysis stage.

True False*

F012: Explain the importance of pre-testing a prototype of the new product.

Test marketing involves offering the new product in all markets to consumers under normal buying conditions.

True False*

Test marketing is inexpensive compared to the cost of development up to this stage.

True False*

The overall purpose of test marketing is to:

*A. get feedback on all the elements of the product mix.
B. adjust the marketing mix strategy.
C. aim a new product at the consumer market.
D. move a product from a smaller market to a larger market.

F013: Describe the forms of product testing.

When a product is in full-scale production and marketing, the product is in which stage?

*A. Product Introduction
B. Business Analysis
C. Product Development
D. Test Marketing

The overall purpose of test marketing is to get feedback on all elements of a new product's marketing mix.

*True False

When testing a new product in the laboratory, the business is in which step of the procedures to bring a product to market?

A. Product introduction
*B. Product development
C. Test marketing
D. Business analysis

F014: Describe the introduction stage of product development.

A new born baby could be compared to what part of the product life cycle?

*A. Introduction
B. Growth
C. Maturity
D. Decline

The period of the product life cycle that generates little profit is:

*A. introduction.
B. growth.
C. market acceptance.
D. saturation.

The period of the product life cycle that increases at the slowest rate is the:

*A. introduction stage.
B. growth stage.
C. maturity stage.
D. decline stage.

F015: Consider the factors that affect pricing.

The law of demand states that consumers:

A. are not price elastic.
B. are price elastic.
C. are brand/store loyal.
*D. will buy more units at low prices than at high prices.

The value that is placed on a product or service is:

A. medium of exchange.
B. profit.
*C. price.
D. quality.

A marketer able to develop a distinctive niche can utilize:

A. pricing at the market.
B. pricing below the market.
C. unit pricing.
*D. administered pricing.

F016: Identify the most widely adopted pricing policies.

A marketer which sets prices for products and services and seeks to maintain them over an extended period of time practices:

A. variable pricing.
*B. customary pricing.
C. a one-price policy.
D. price lining.

Goods priced at $ .87, $1.95, and $99,990 illustrate:

A. leader pricing.
*B. odd-even pricing.
C. flexible pricing.
D. multiple unit pricing.

The Robinson-Patman Act deals with:

A. price fixing.
B. deceptive pricing.
C. price elasticity.
*D. price discrimination.

F017: Set a pricing objective for a product/service.

Pricing is a major part of the marketing strategy.

True* False

The philosophy that "charging what the traffic will bear" is an example of:

A. sales maximization.
*B. profit maximization.
C. return on investment.
D. increase market share.

The price-quality association and prestige pricing are two aspects of:

A. competition-oriented pricing.
B. cost-oriented pricing.
*C. psychological pricing.
D. odd-even pricing.

F018: Identify the most widely used pricing strategies.

The use of a variable markup policy on a systematic basis is referred to as:

*A. direct product profitability.
B. pricing at the market.
C. administered pricing.
D. unit pricing.

In which pricing technique does a marketer advertise and sell key items in the product assortment at less than their usual profit margins?

A. Odd-even pricing
B. Bait advertising
C. Price lining
*D. Leader pricing

The most complex pricing strategy is:

A. markup.
B. demand-oriented.
*C. target-return.
D. cost-plus.

F019: Plan sales.

The expected sales behavior of a good or service over its life is:

*A. product life cycle.
B. fashion curve.
C. trickle-down theory.
D. trickle-across theory.

What is the most important element to consider in constructing a merchandise plan?

*A. Sales volume
B. Past sales
C. Rate of increase or decrease in sales
D. General business conditions

A good indicator of future sales is past sales.

True* False

A good point of purchases display is important when planning sales.

True* False

F020: Plan stock.

Stock levels at which new orders must be placed are known as:

*A. reorder points.
B. order lead time.
C. usage rates.
D. safety stock.

Which of the following formulas is used for determining the stock-sales ratio?

A. Retail value of stock at a given time in period
$$= \frac{\text{Stock-Sales}}{\text{Sales for the Period}}$$

B. Sales for the period $= \frac{\text{Retail value of stock at given time}}{\text{Stock-Sales}}$

C. Stock-Sales $= \frac{\text{Sales for the period}}{\text{Retail value of stock at given time}}$

D. Stock-Sales $= \frac{\text{Retail value of stock at given time}}{\text{Sales for the period}}$

A store's usage rate is 30 units, lead time is 10 days, and safety stock requirements are 40 units. It's reorder point is:

A. 260 units.
*B. 340 units.
C. 430 units.
D. 700 units.

F021: Plan reductions.

An example of a staggered markdown policy is a(n):

A. price adjustment policy.
B. early markdown policy.
C. late markdown policy.
*D. automatic markdown policy.

An item originally priced at $20.00 is reduced to $14.95. The off-retail markdown percentage is:

*A. 25%.
B. 35%.
C. 66%.
D. 75%.

A reduction in the price of products must be planned ahead.

True* False

F022: Plan purchases.

The amount of money that a buyer may spend during the balance of any period is known as the:

A. closed to sell.
B. closed to buy.
C. open to sell.
*D. open to buy.

A merchant has planned sales for the month of April of $15,000; the planned stock for April is valued at $25,000 and the planned stock for May is valued at $20,000. The planned purchases for April should be valued at:

A. $ 5,000.
*B. $10,000.
C. $15,000.
D. $20,000.

The value of planned stock is greater in June than it is in July. To calculate planned purchases for June, which of the following is the correct formula?

*A. Planned sales - increase/decrease in the dollar level of planned stock between the beginning of each of the two months.
B. Planned sales + increase/decrease in the dollar level of planned stock between the beginning of each of the two months.
C. Planned sales X increase/decrease in the dollar level of planned stock between the beginning of each of the two months.
D. Planned sales ÷ increase/decrease in the dollar level of planned stock between the beginning of each of the two months.

F023: Plan markup.

A 100 percent markup at cost equals what markup at retail?

A. 20%
B. 40%
*C. 50%
D. 80%

The buyer must determine what amount of markup is needed to yield the desired net profit.

*True False

A 75 percent markup at retail equals what markup at cost?

A. 75%
B. 150%
*C. 300%
D. 400%

DUTY: PHYSICAL DISTRIBUTION

G001: Identify the ways to ship merchandise.

Which of the following is certified by an agreement between the carrier and the shipper to transport items?

A. Common carries
*B. Contract carries
C. Private carries
D. All of the above

Advantages of piggyback and fishyback transportation is:

A. less handling of products.
B. decrease in loss of merchandise.
C. documentation is minimal.
*D. all of the above.

Carriers that are usually exempt from rules of regulatory agencies are:

A. common carriers.
B. contract carriers.
*C. private carriers.
D. all carriers are ruled by regulatory agencies.

G002: Compare ways to ship merchandise in terms of cost and suitability.

Which of the following statements is <u>most</u> valid?

A. A business should always specify "fastest" routing.
B. A business should always specify "cheaper" routing.
C. The business should always specify "least cost" routing.
*D. A business should use judgement in the routing choice.

A buyer wishes to purchase goods from a vendor on the basis that the goods are owned by the vendor until they arrive at the business. In addition, the buyer requests that the seller pay all transportation costs. Which shipping term should the buyer request?

A. F.O.B. Factory
*B. F.O.B. Destination
C. F.O.B. Destination, Charges reversed
D. F.O.B. Factory, Freight pre-paid

The freight rate between St. Louis and Kansas City on a certain class of goods is $4.25 per 100 pounds. What would be the total freight charges for 680 pounds of merchandise shipped?

A. $25.50
*B. $28.90
C. $29.75
D. None of the above

G003: Trace shipments of merchandise.

The marketer does not pay for items until they are sold and can return merchandise:

A. when title is transferred on purchase.
B. when title is transferred upon receiving the shipment.
C. for all generics.
*D. in a consignment purchase.

When a shipper's order is lost, what type of claim must be filed?

A. Bill of lading
*B. Consignor loss
C. Consignee loss
D. Freight bill

In tracing a shipment of merchandise that has been lost or damaged, which of the following forms should be completed?

*A. Consignor loss or damage claim
B. Shipping records claim
C. Freight loss or damage claim
D. Bill of lading

G004: Return damaged merchandise to shipper.

Which of the following is always found on the discrepancy reports used to record incorrect or damaged shipments?

A. Reason for return
B. Invoice number
C. Description and cost of merchandise
*D. All of the above

Unconcealed damage could be a crushed container or a leaking container.

True* False

Which of the following is an alternative for handling damaged merchandise?

A. Send the merchandise to be repaired.
B. Retag it at a lower price.
C. Remove it from the selling floor.
*D. All of the above

DUTY: SALES PROMOTION

H001: Plan and develop seasonal and storewide themes.

Which of the following is not part of display planning?

A. Drawing a sketch of the planned display.
B. Coordinating displays with the department manager.
C. Using a display calendar to plan.
*D. Asking salespeople to pick out their favorite outfit to put on display.

Showing customers the benefits of using a product can be part of a display?

True* False

Developing displays in a business requires long-range planning. The first step in developing a display planning calendar is to:

A. consider community and civic functions to be observed.
*B. develop a list of all regular merchandise promotional events.
C. develop a list of all holiday-related merchandise promotions.
D. develop a list of expected new and specifically priced merchandise to be received from various suppliers.

H002: Select products for promotion that are seasonal and timely.

Businesses that advertise certain merchandise only during a certain season (i.e., Christmas, Easter) are using _____ promotion.

A. climate
B. special merchandise features
*C. calendar
D. price

Which of the following types of items would be most appropriate as a basis for a promotion?

*A. Best sellers
B. Poor sellers from last season
C. Slow sellers
D. All of the above

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The best time to promote sandals, shorts, and swimsuits at sale prices would be:

A. back-to-school sale.
*B. summer clearance sale.
C. winter clearance.
D. spring white sale.

H003: Check advertising and displays for adherence to store promotional policies.

Advertising and displays should be checked for adherence to store promotion policies every time they are changed.

True* False

Which of the following elements should be checked for adherence to a firm's promotional policies?

A. Consistency with the firm's target market(s).
B. Professional image of the firm.
C. Safety procedures.
*D. All of the above

Those aspects of a business that a store policy can directly affect, such as advertising and display, are referred to as:

A. strategic planning.
*B. controllable variables.
C. uncontrollable variables.
D. demographic statistics.

H004: Obtain and use current product information necessary for effective and timely promotional activities.

A source of product information that can be used for development of a new promotional activity is a:

A. trade journal.
B. manufacturer's pamphlet.
C. consumer magazine.
*D. all of the above

Salespeople can learn valuable product information from well-informed customers.

True* False

An advertisement sponsored by a business that generates interest in a new product is an example of a:

*A. commercial cue.
B. physical drive.
C. social cue.
D. purchase activator.

H005: Check advertising copy for omissions, additions, and corrections.

Which of the following individuals check advertising copy for omissions, additions, and corrections?

A. Copywriter
B. Production assistant
C. Copy chief
*D. Proofreader

The merchandising staff is <u>not</u> involved in the final stages of proofreading.

True False*

If an advertisement is run in the local newspaper that states a price that is incorrect, the business will have to sell the product at the price advertised.

True False*

H006: Check available quantities of advertised product before a promotion breaks.

Coordinating advertising with merchandise means:

A. advertising traffic-generated items.
B. advertising newest goods and highest fashions.
*C. featuring merchandise in sufficient quantity to back up ads.
D. getting vendors to supply cooperative advertising funds.

Who verifies there is sufficient quantities of a product to support an advertisement?

*A. the merchandising staff
B. the promotion manager
C. the advertising clerk
D. the proofreader

A company should continue with a planned product promotion when there is a shortage of the product.

True False*

H007: Select the most effective locations within the business to place displays.

A clothing store should display new "fad" jeans:

*A. to the right of the entrance at an angle to store traffic.
B. in the middle of the jeans department on a round rack.
C. hanging from the ceiling at the back of the jeans department.
D. at eye level in front of the customer service desk.

The poorest display position is a(n):

A. eye-level display position.
B. end-aisle display position.
C. check-out counter position.
*D. knee-level display position.

It is best to place displays to the left of an entrance. Most people have a tendency to go to the right and you want to attract their attention to the other side of the store.

True False*

H008: Plan display changes to maintain customer interest.

Customers like to look at displays of advertised merchandise before they buy it.

True* False

Retail stores are careful not to keep the same display for too long a period of time. Which one of the following can affect how often displays are changed?

A. Time of year
B. Type of display fixture
*C. Merchandise to be displayed
D. None of the above

Which of the following is true about changing displays frequently?

A. Customers lose interest.
*B. Displays match current advertising.
C. Stock levels of related merchandise are low.
D. Merchandise gets dusty.

H009: Allocate promotional space for an item based on its sales volume.

Displaying advertised items reminds customers of the benefits presented in the advertising.

True* False

Displaying fast-selling items will usually:

*A. increase sales and profits.
B. not improve sales because the items already sell well.
C. reduce the sales of other items.
D. all of the above.

A problem with the sales-productivity ratio method of assigning space is that:

*A. an inadequate selection of merchandise may be encouraged.
B. storability may not be considered.
C. too much space may be assigned for merchandise space.
D. too little space may be assigned for merchandise space.

H010: Determine when to dismantle and replace major displays.

When should an institutional Christmas display be dismantled?

A. the day after Christmas
*B. the day before New Year's Day
C. after the post-Christmas clearance sale
D. after Thanksgiving

Which of the following guidelines would be used in determining when to remove manufacturer display aids?

A. Aid is up-to-date
*B. Advertising promotion has been replaced by new promotions.
C. Merchandise is well stocked.
D. Aid saves salesperson's time for selling other merchandise.

Stores should change displays frequently to maintain high customer interest.

True* False

H011: Coordinate promotional activities with local activities or seasonal events.

Which of the following is <u>not</u> an activity or event appropriate for a promotional activity?

A. Valentine's Day
B. United Way fund drive
C. the Olympics
*D. all of the above are appropriate.

Your local community is planning on conducting a "Founders Day" celebration. Which of the following promotional activities would be appropriate for a business to conduct as part of the celebration?

A. Placing an advertisement in the local newspaper describing how long your business has been supporting the community.
B. Designing and erecting a display in the business of fashion attire worn by the original community founders.
C. Having the business personnel dress-up in fashion attire costumes of the era of the community founders.
*D. All of the above

Which of the following "themes" could be used when planning a promotional activity?

A. Seasonal theme
B. Holiday theme
C. Merchandise theme
*D. All of the above

H012: Schedule displays of products at the same time they are being advertised.

What tool helps in scheduling display changes to keep up with current advertising?

A. Trade magazine
*B. Display calendar
C. Catalog
D. Display sketch

A major storewide promotion is planned for the Easter season. Which two departments should coordinate their efforts in order to promote a single theme related to this promotion?

A. Visual Merchandising and Credit
B. Personnel and Advertising
*C. Visual Merchandising and Advertising
D. None of the above.

Displaying advertised products at the back of the store will attract customers into the store.

True False*

H013: Inform personnel of the schedule of company sales promotion activities.

Why is it important to inform personnel of the schedule of company sales promotion activities?

A. To get their approval
B. To maintain a cooperative relationship with personnel
*C. To help select merchandise
D. All of the above

The display calendar is only used by display personnel.

True False*

Who helps the display specialist select merchandise for displays?

*A. The department manager
B. Salespeople
C. The layout artist
D. The store manager

H014: Coordinate national or chain advertising with local business promotions.

Local business promotions can be coordinated with which of the following events?

*A. A national advertising campaign
B. A competitor's promotional sale
C. Last month's advertised product
D. All of the above

What is the purpose of coordinating national advertising with local business promotions?

A. It is easier than developing your own promotional ideas.
B. National advertisers require it if you want to carry their product.
*C. It reinforces the message for the customers.
D. All of the above

Local businesses cannot use promotions which coordinate with national advertisers because copyright laws prohibit it.

True False*

DUTY: SELLING

I001: Determine the importance of making an appointment in advance and being on time.

Making an appointment in advance with a prospective customer shows him/her:

*A. the meeting is important to you, the salesperson.
B. that you are a successful salesperson with many clients anxious to meet with you.
C. your time is valuable.
D. your supervisor wants to keep track of your sales calls.

Arriving late for a scheduled sales call can leave a negative impression on the client and reduce your chance of closing the sale.

True* False

Time is a salesperson's greatest asset, therefore he/she should schedule sales calls in advance.

True* False

I002: Deal with the prospective customer's secretary or family member in a professional manner.

Secretaries and/or family members are known to:

A. influence buying decisions.
B. control access to the buyer.
C. give clues regarding buyer needs.
*D. all of the above

A woman and her daughter enter the car dealership where you work. They are looking for a car for the daughter. It is obvious that the mother knows more about cars and will make the final buying decision. As a professional salesperson you will:

A. speak to the mother and ignore the daughter since she won't make decision.
*B. direct your questions and answers to both.
C. let them look around on their own since they probably know what they want.
D. talk to the daughter in order to allow the mother to shop undisturbed.

Going out of your way to treat secretaries and/or family members in a pleasant, professional manner is usually not worth the effort because they don't make the final buying decision.

True False*

I003: Announce the purpose for the call immediately to the prospective customer.

The purpose of the sales call should be stated first in order to ensure the prospective customer's interest.

True* False

Dennis sells men's suits to retail stores for Hartmarx Corporation. He is planning a sales presentation to Sal's Suit Shop and he isn't sure how to start the presentation. Select the appropriate topic that Dennis should address first.

A. Ask what suits are currently selling.
B. Explain the new pricing structure.
*C. State the purpose of the call.
D. Show pictures of the new suit line.

Most prospective customers know the purpose of the sales call, therefore it is unnecessary to announce it during the sales presentation.

True False*

I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

Planning in advance the sales territory to be covered each day is:

A. a way to let the boss know you are working hard.
B. a waste of time.
*C. an example of good time management.
D. all of the above

Sales calls should be organized:

A. when it is most convenient for good time management.
*B. in advance.
C. as customers call to give orders.
D. according to the volume of potential sales.

Bobbi is a salesperson for Bissell Carpet Cleaners. She has a three state territory with 163 customers. She is trying to reach all of her customers in the least amount of time. The best way for her to organize her route is to plan on a daily basis according to which customers will probably spend the most.

True False*

I005: Determine the importance of preparing and organizing sales aids.

The use of slides with an automatic slide projector would prove to be an effective selling aid for:

A. construction firms.
B. bulky or fragile products.
C. mutual investment firms.
*D. All of the above

Which one of the following statements about the use of visual selling aids is most accurate?

*A. The salesperson is expected to maintain control over the aids during the presentation.
B. The salesperson never should attempt to use more than one type of visual aid during the interview.
C. Selling aids should be introduced after the sales presentation is completed.
D. A customer should be allowed to thumb through and read illustrations in a portfolio at will.

Which one of the following sales aids probably is used the least by most salespeople?

A. Manuals
*B. Films
C. Advertisements
D. Testimonials

I006: Determine the importance of keeping customer records.

The major purpose of a call report is to:

A. record the time and date of all phone calls.
*B. provide a summary of the sales call and what future action is required.
C. provide a summary of time spent with a customer.
D. provide a record of purchases made by a customer.

Complete customer records help the salesperson:

A. respond to customer needs better.
B. increase sales.
C. respond to changes in the customer's business.
*D. all of the above.

Customer records should be updated:

*A. as new informaiton is available.
B. once each month.
C. at the end of the accounting period.
D. never, customer records should be completed when the account is opened.

I007: Plan daily activities to ensure that all duties are performed.

A salesperson's productivity can be enhanced best by:

A. coming to work earlier.
*B. planning and scheduling daily activities.
C. using a car phone while driving.
D. hiring a personal secretary.

Which one of the following is <u>not</u> a major time-saving technique?

A. Prepare a daily "to do" list.
B. Maintain an appointment calendar.
C. Organize your selling tools and materials.
*D. Travel by car, regardless of distance to the destination.

There is little relationship between the number of calls on a sales prospect and sales volume.

True False*

I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

A salesperson's prospect list serves what function?

A. Helps the salesperson gain current product knowledge
B. Tells the salesperson what the competition sells
*C. Gives a list of current possible customers
D. All of the above

How does a salesperson decide which prospects are worth pursuing?

A. quantify prospects
B. all prospects should be approached
C. rely on referrals
*D. qualify prospects

Customer prospect lists, daily work records, and summary records should be maintained after all sales calls are complete.

True False*

I009: Set sales goals or quotas.

The ACME department store is planning to open a branch store in a new geographical area of the city. This new geographical area has very similar characteristics in terms of consumer buying habits as the current location. What sales goals should management establish for the new branch store?

*A. The same as the current stores' sales goal.
B. After the branch store has been open for six months, a sales goal should be established.
C. The sales goal should equal the number of actual customers in the shopping area of the store.
D. No sales goal should be set for the new branch store.

Which of the following is NOT considered when establishing sales goals?

A. Past sales records of the territory
*B. Cost of making a sales call
C. General economic trends expected
D. Competition

Salespeople should always be expected to achieve greater sales than last year. Therefore, sales goals are calculated by adding 5 to 10 percent to last year's actual sales.

True False*

I010: Plan sales routes and transportation modes which keep traveling time to a minimum.

A/An _____ is a list of places a salesperson plans to visit, in the order they will be visited.

A. map
B. schedule
C. territory
*D. itinerary

A good itinerary is arranged to:

A. decrease wasted time.
B. increase the number of customers visited.
C. decrease travel time.
*D. all of the above

Linda is planning her sales call schedule for the next day. She has three calls she needs to make. Customer "X" is 20 miles north of the office; customer "Y" is 40 miles east of the office, and customer "Z" is two miles east of the office. To keep her traveling time to a minimum, in which order should Linda make her sales calls?

A. Y, Z, X
B. Y, X, Z
*C. X, Z, Y
D. Z, Y, X

I011: Make productive use of waiting time.

What should Julie do if her meeting is cancelled?

A. Arrive two hours early for her next appointment
*B. Be prepared with a substitute call
C. Go shopping
D. Drive back to the office and wait for her next call

Julie sells fine jewelry to retailers. Even though she carefully plans and schedules her appointments, she spends several hours each week waiting for customers to see her. (use this information on the next two questions)

In order for Julie to use her time wisely, she should:

A. read the current issue of Gem magazine.
B. plan next week's appointments.
C. tour competing jewelry stores in the area.
*D. all of the above.

Waiting time is always wasted time.

True *False*

I012: Use special techniques which increase the selling time.

Two-way communication increases selling time and helps the salesperson understand the prospect's needs.

True False

A common mistake made by many salespeople is using product demonstrations in sales presentations. Demonstrations increase selling time which frustrates most prospective customers. Therefore, it is best to keep sales calls short and simple by presenting only the basic information needed.

True *False*

A salesperson who is planning to visit a customer's place of business on a certain day and time is engaged in the process of:

A. account grouping.
*B. scheduling.
C. customer sale planning.
D. customer time allocation.

I013: Evaluate performance in terms of goals and customers' satisfaction.

It is often more difficult to conduct an honest self-evaluation than to be reviewed by a superior.

True False

_____ is the process of reviewing and analyzing all areas of your own work.

*A. Self-evaluation
B. Self-justification
C. Quota review
D. Management review

If a salesperson loses an account to a competitor, they should:

*A. treat the customer like a prospect.
B. quit contacting the customer.
C. point out what is wrong with the competing product.
D. none of the above

I014: Gain audience's attention with a strong opening remark.

Gaining the audience's attention is most efectively achieved by:

*A. pointing out positive benefits your product offers the prospect.
B. talking about price first.
C. telling the prospect how much this sale means to you, the salesperson.
D. all of the above

The most effective way to build desire in the customer is to:

A. demonstrate the product with intensity.
B. review product features.
C. explain the benefits of ownership of the product.
*D. establish a need for the product.

Saving and/or making money is important to most prospective customers. Therefore, a good technique for gaining attention is to present money saving/making features at the end of the sales presentation.

True False*

I015: Make a smooth, natural and interesting sales presentation.

Customers are usually patient and understanding when a salesperson fumbles with the product he/she is trying to demonstrate.

True False*

_____ is/are the key(s) to smooth, professional sales presentations.

A. Knowledge of psychology
*B. Practice and rehearsal
C. Customer commitment to buy
D. State-of-the-art techniques

Successful demonstrations are one way to:

A. conduct an interesting sales presentation.
B. maintain customer interest.
C. dramatize the product's benefits.
*D. all of the above

I016: Show how the product or service will satisfy the needs the group shares.

When selling to a group, a salesperson should discourage interaction between members of the group.

True False*

One of the most effective sales techniques available to convince a group of clients is:

*A. proof-of-performance demonstration.
B. colored slides.
C. pad and pencils.
D. testimonials.

A problem in group selling is:

A. the lack of interest of group members.
*B. different technical knowledge and interest of members.
C. group members selling each other.
D. the use of visual aids.

I017: Plan for audience participation.

The salesperson should encourage _____ communication so the prospect has the opportunity to ask questions.

A. one-way
B. directed
C. authoritarian
*D. two-way

Audience participation should be encouraged:

A. at the beginning of the presentation.
B. after the opening statements are made.
C. at no time.
*D. throughout the presentation.

Visual aids and demonstrations are particularly important for group selling.

True False*

I018: Provide expert information as to ways in which the product or service can benefit the prospective customer.

Inviting a prospective customer to check the facts given in the sales presentation is an example of validation using:

A. propaganda.
B. expert opinion.
*C. expert information.
D. competing information.

Good salespeople attempt to get a commitment from the prospect:

A. about halfway through the presentation.
B. toward the end of the presentation.
*C. after the presentation is completed.
D. after each product feature has been presented or explained.

When selling copying equipment, a salesperson probably will gather competitive information on:

A. ease of operation.
B. convenience in use.
C. dependability of equipment.
*D. all of the above

I019: Provide full and complete information about a product line or company service.

A salesperson who consistently uses the same vague, general statements in describing a product probably:

A. knows a lot about the product.
B. uses a tailored sales approach.
C. is confident about his/her sales ability.
*D. doesn't possess adequate product knowledge.

The salesperson needs to acquire information about:

A. company performance.
B. service facilities.
C. how the product relates to other products.
*D. all of the above

Product knowledge should be used by salespeople to solve the problems of their customers.

True* False

ADVANCED MARKETING CORE CURRICULUM

Assessment Techniques

June, 1989

Assessment techniques included in this project are keyed to the core curriculum by duty band and competency number.

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

Role Play

You are the department manager of a local men's clothing department in a large department store. You have received the following memo. It is your job to read the memo, determine the relevant information and then teach the stock person the new method of stocking dress shirts.

MEMO

TO: All Department Managers - Men's Clothing

FROM: Al Bunting - District Visual Merchandiser

RE: New dress shirt stocking policy

In the past it has been the store's policy to stock our men's dress shirts according to diagram #1. Note that the blue and white shirts have been mixed together and therefore are not visually consistant.

DIAGRAM #1

							Display Cubes
*14 1/2 32/33	15 1/2 32/33	16 32/33	16 1/2 32/33	17 32/33	17 1/2 32/33	18 32/33	
14 1/2 32/33	15 1/2 32/33	16 32/33	16 1/2 32/33	17 32/33	17 1/2 32/33	18 32/33	
15 32/33	15 1/2 34/35	16 34/35	16 1/2 34/35	17 34/35	17 1/2 34/35	18 1/2 32/33	
15 32/33	15 1/2 34/35	16 34/35	16 1/2 34/35	17 34/35	17 1/2 34/35	18 1/2 34/35	

* (14 1/2) = neck size (32/33) = sleeve length

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

In order to make our visual presentation more consistent, I would like all stores to separate the blue and white shirts and size them according to diagram #2.

DIAGRAM #2

14 1/2 32/33	16 32/33	17 32/33	18 34/35	14 1/2 32/33	16 32/33	17 32/33	18 34/35
15 32/33	16 34/35	17 34/35	18 1/2 34/35	15 32/33	16 34/35	17 34/35	18 1/2 34/35
15 1/2 32/33	16 1/2 32/33	17 1/2 32/33	Display	15 1/2 32/33	16 1/2 32/33	17 1/2 32/33	Display
15 1/2 34/35	16 1/2 34/35	17 1/2 34/35	Cubes	15 1/2 34/35	16 1/2 34/35	17 1/2 34/35	Cubes

White Shirts Only

Blue Shirts Only

It is important that all stock people understand this new policy so all stores will look the same. Please make the necessary changes within one week of receiving this memo. Thank you!

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

Use the following rating sheet to assess how well the department manager explained the new policy to the stock person.

RATING SHEET

The student:

	Excellent	Above Average	Good	Below Average	Unacceptable
1. gave an overview of the new policy.					
2. described rationale for new policy.					
3. explained the importance of the stock person's responsibility for carefully maintaining the policy.					
4. expressed confidence in stock person's ability to maintain the new policy.					
5. gave a detailed explanation of the new policy (may use the diagrams in the memo).					
6. asked the stock person to demonstrate understanding by describing policy in his/her own words.					
7. gave a deadline for completion.					
8. checked the stock person's job on the deadline date.					

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A002: Give oral presentations to groups of marketing personnel.

You are an account manager for Peabody & Associates Advertising Agency. Your newest account is the innovative "Talk-It-Over" computer. "Talk-It-Over" is a voice activated computer. It is very easy to operate because you just speak into a microphone and it types your words onto the screen.

This morning you are meeting with your creative staff. You will give an oral report about the new account. The main purpose of the report is to review the computer's features and benefits. The creative staff will then turn the features and benefits into promotion ideas.

In a role-play situation with five (5) students acting as the creative staff, present the report. Name 3-5 features and their benefits. Lead a discussion to develop 3 promotion ideas.

Product information:

- Feature: voice activated response
- Benefit: easy to operate, typing skills are not necessary

- Feature: IBM and Apple compatible
- Benefit: can communicate with other systems and use almost any software available

- Feature: 625K memory
- Benefit: a large amount of information can be stored in the computer

- Feature: color monitor
- Benefit: easier on the eyes, easier to organize information

- Feature: laser printer is considered standard equipment
- Benefit: professional print quality

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A002: Give oral presentations to groups of marketing personnel.

KEY

Assessment Instrument

The student:	YES	NO
1. spoke in a clear, professional manner.	_____	_____
2. announced the main purpose of the meeting.	_____	_____
3. presented 3-5 features and benefits.	_____	_____
4. discussed the creative staff's assignment to develop three promotional ideas.	_____	_____
5. led a "brain-storming" session to develop promotional ideas.	_____	_____
6. gave each person on the creative staff the opportunity to speak.	_____	_____
7. gave positive feedback to each staff member.	_____	_____
8. closed the meeting with a summary statement and deadlines.	_____	_____

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A004: Interpret employee problems to management.

Role Play

You are an employee at the local pizza parlor. On 3 occasions you witnessed the shift manager, Chris, under charge friends. Once you even saw Chris give a free pizza to a family member.

You don't believe this is good business ethics so you decide to report it to the restaurant owner.

In a role play situation, discuss Chris' dishonesty with the owner. Remember that the owner has always thought highly of Chris so you should treat the situation carefully.

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A004: Interpret employee problems to management.

KEY

Assessment Instrument:

The student:	YES	NO
1. described the main purpose of the meeting.	_____	_____
2. spoke in a clear, professional manner.	_____	_____
3. spoke positively and did not make accusations.	_____	_____
4. cited all of the facts surrounding the issue.	_____	_____
5. addressed the employer with respect.	_____	_____
6. asked for the employer's advice regarding actions to be taken.	_____	_____
7. asked for ways to prevent future problems.	_____	_____

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A005: Interpret progress of departments, systems, or functions within the business to management.

TASK# A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

You are the assistant manager of an electronics store. At the beginning of the year you designed a new floor layout. The manager would like to know the effect of the new layout on TV and VCR sales. He/She has asked you to compare last year's sales of each product to this year's sales. He/She knows that the new layout isn't the only cause for a change in sales, but the figures will give an indication of the effect.

TV SALES

Month	Last Year	This Year	$ Change	% Change
Jan.	$ 72,000	$ 69,000		
Feb.	59,000	61,000		
March	62,000	62,000		
April	64,000	63,000		
May	71,000	74,000		
June	72,000	74,000		
July	61,000	60,000		
August	59,000	62,000		
Sept.	82,000	85,000		
Oct.	87,000	85,000		
Nov.	110,000	124,000		
Dec.	175,000	179,000		
TOTAL				

VCR SALES

Month	Last Year	This Year	$ Change	% Change
Jan.	$ 42,000	$ 37,000		
Feb.	38,000	41,000		
March	45,000	62,000		
April	69,000	72,000		
May	71,000	69,000		
June	48,000	52,000		
July	68,000	68,000		
August	68,000	71,000		
Sept.	72,000	73,000		
Oct.	76,000	75,000		
Nov.	89,000	87,000		
Dec.	97,000	102,000		
TOTAL				

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A005: Interpret progress of departments, systems, or functions within the business to management.

TASK# A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

In order to complete the tables, calculate the increase (+) or decrease (-) in sales for each month and for the total year.

The completed tables will be turned into the manager and together you will determine the possible effect the new layout had on this year's sales.

KEY

TV SALES

Month	Last Year	This Year	$ Change	% Change
Jan.	$ 72,000	$ 69,000	<-3,000>	<- 4%>
Feb.	59,000	61,000	2,000	3%
March	62,000	62,000	-0-	-0-
April	64,000	63,000	<-1,000>	<-1.6%>
May	71,000	74,000	3,000	4%
June	72,000	74,000	2,000	2.7%
July	61,000	60,000	<-1,000>	<-1.7%>
August	59,000	62,000	3,000	4.8%
Sept.	82,000	85,000	3,000	3.5%
Oct.	87,000	85,000	<-2,000>	<-2.4%>
Nov.	110,000	124,000	14,000	11.3%
Dec.	175,000	179,000	4,000	2.2%
TOTAL	$974,000	$998,000	$24,000	+ 2.4%

VCR SALES

Month	Last Year	This Year	$ Change	% Change
Jan.	$ 42,000	$ 37,000	<-5,000>	<13.5%>
Feb.	38,000	41,000	3,000	7.3%
March	45,000	62,000	17,000	27.4%
April	69,000	72,000	3,000	4.2%
May	71,000	69,000	<-3,000>	<-4.3%>
June	48,000	52,000	4,000	7.7%
July	68,000	68,000	-0-	-0-
August	68,000	71,000	3,000	4.2%
Sept.	72,000	73,000	1,000	1.4%
Oct.	76,000	75,000	<-1,000>	<-1.3%>
Nov.	89,000	87,000	<-2,000>	<-2.3%>
Dec.	97,000	102,000	5,000	4.9%
TOTAL	$783,000	$809,000	$25,000	+ 3.1%

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A008: Communicate orally or in writing the important information gained from reading and research.

In a 5 minute presentation to the class, discuss at least 5 techniques for improving listening habits. In your presentation cite 3 or more sources of information. Use 2 visual aids that will improve the class' understanding.

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A008: Communicate orally or in writing the important information gained from reading and research.

KEY

ASSESSMENT GUIDE:

	Excellent		Average		Needs Improvement
1. Neat appearance.	5	4	3	2	1
2. Well-organized presentation of materials.	5	4	3	2	1
3. Clear visual aids.	5	4	3	2	1
4. Appropriate use of visual aids.	5	4	3	2	1
5. At least 5 minutes in length.	5	4	3	2	1
6. Discussed 5 or more listening techniques.	5	4	3	2	1
7. Cited 3 or more sources.	5	4	3	2	1
8. Spoke in a clear, audible tone of voice.	5	4	3	2	1

TOTAL SCORE _____
(40 points possible)

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

CASE STUDY - Part I

You are the buyer for four Marshall Field's China departments. You are ordering vases from the Waterford Company. It is your job to buy the vases at the lowest possible price, but there are several things you need to consider.

1. Today is March 1st. The vases must arrive in each store by April 1st for the Bridal Fair.
2. It takes 3 days for the Marshall Field's distribution warehouse to check in new goods and deliver them to each store.
3. The vases are packaged 10 per case.
4. Each China department needs at least 45 vases in stock.
5. The breakage rate for paper packaging is 1 per case. The breakage rate for styrofoam packaging is 1 per 2 cases. Waterford pays for 1/2 the cost of broken vases.
6. The following are relevant price charts:

SHIPPING COST PER CASE

	Transportation (delivery time):	
packaging:	air (14 days)	truck (30 days)
paper	$10.00	$ 6.00
styrofoam	15.00	9.00

WHOLESALE COST PER CASE OF VASES

# of cases	discount rate	price per case (not including shipping cost)
1-5	0%	$200.00
6-10	5%	190.00
11-15	10%	180.00
16-20	15%	170.00
21 or more	25%	150.00

From the previous information decide:

1. The best number of cases to order.
2. The best transportation to use.
3. The best packaging to use.
4. The cost of each vase including shipping costs and damage cost.

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A009: Interpret tables, graphs, and charts in order to gain marketing information relevant to a business.

KEY
CASE STUDY - Part I

1. 21 cases
2. Air - truck takes too long
3. styrofoam
4. $16.76 each

KEY Rational

1. The minimum order is 18 cases.
   45 vases x 4 stores = 180 vases
   180 ÷ 10/case = 18 cases
   You save $2.00 per vase by ordering 3 extra cases or 7.5 extra vases per store.
   18 cases @ $170.00 = $3,040.00
   21 cases @ $150.00 = 3,150.00
   difference = $ 110.00 for 30 extra vases

   The extra vases cost only $3.66 each.

2. Air transportation is the only possibility because the truck takes 30 days.
   March 1st + 30 days transportation + 3 days from warehouse to stores = 33 days or an arrival date of April 3rd (after the deadline)

3. Styrofoam is the most cost effective packaging.
   styrofoam by air = $13.00
   paper by air = 10.00
   $ 3.00 extra per case for styrofoam
   Damaged merchandise cost per case:
   paper - 1/2 x $15.00 = $7.50
   styrofoam - 1/2 x 1/2 x $15.00 = $3.75
   Packaging cost + damage cost:
   paper - $0 + $7.50 = $7.50
   styrofoam - $3.99 + $3.75 = $6.75

4. 21 cases @ $150.00 each = $3150.00
   transportation - air } $13.00/case
   packaging - styrofoam }
   $13.00 x 21 = $273.00
   damage refund = $3.75 per case = $78.75
   number of undamaged vases per case = 9.5
   total number of undamaged vases = 9.5 x 21 = 199.50
   Total vase cost - damage refund (1/2 cost of each damaged vase)
   =$3150.00 - 78.75 = $3071.25
   Cost of undamaged vases + shipping = $3071.25 + 273.00 = $3344.25
   Cost per undamaged vase = $3344.25 - 199.50 = $16.76 each

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A006: Compose business letters, reports, and memorandums.

CASE STUDY - Part II

Using the previous case study information, write a report to the Vice President of merchandising. The report should include the relevant information considered, the number of vases ordered, the transportation and packaging used, total order cost and the cost per vase. Please include in your report the rationale for all decisions you made.

REPORT ASSESSMENT FORM

	Excellent	Above Average	Good	Below Average	Unacceptable
1. Formatted in business report style.	5	4	3	2	1
2. No grammatical errors.	5	4	3	2	1
3. No spelling errors.	5	4	3	2	1
4. Includes all important information.	5	4	3	2	1
5. Uses sound rationale for all decisions.	5	4	3	2	1
6. No calculation errors.	5	4	3	2	1
7. Neat appearance.	5	4	3	2	1

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B001: Define marketing strategy.

TASK# B004: Define promotional mix.

WORD SEARCH

Circle the words that correspond with their definition.

E	U	N	I	T	E	D	S	T	A	T	E	S	K	E	E	T	O	P	E	A
T	B	A	B	L	V	O	L	C	A	N	O	L	A	U	R	A	R	E	A	L
A	K	O	D	A	D	V	E	N	T	U	R	E	L	A	N	D	S	R	U	E
I	L	N	J	V	K	I	T	M	I	S	S	I	O	N	Y	A	E	S	Q	U
L	S	W	E	A	E	X	I	T	Y	E	A	R	B	E	D	P	Z	O	N	E
I	H	A	I	R	Y	R	A	I	N	W	O	W	J	A	R	U	P	N	E	W
N	O	N	L	I	N	E	T	O	W	I	N	G	E	N	D	B	O	A	O	S
G	P	A	N	E	S	H	I	I	G	V	W	A	C	K	S	L	E	L	G	H
S	P	L	A	N	S	A	N	D	S	T	R	A	T	E	G	I	E	S	P	A
T	A	U	U	D	D	P	A	D	D	I	N	G	I	N	N	C	R	E	R	V
O	I	B	B	I	N	G	R	E	A	M	N	F	V	T	A	R	I	L	F	E
R	E	D	S	L	F	L	O	O	M	I	F	G	E	D	G	E	S	L	I	X
E	N	T	R	Y	I	P	A	X	M	L	S	O	R	R	E	L	E	I	N	C
F	T	O	P	I	A	C	M	E	A	O	A	C	T	I	V	A	T	N	D	I
R	J	P	L	E	P	A	I	L	N	X	T	S	E	L	L	T	W	G	I	T
O	E	S	T	R	A	N	G	T	G	E	E	I	N	E	X	I	S	T	A	E
N	M	E	R	C	H	A	N	T	Y	B	G	X	O	S	C	O	O	T	D	D
T	R	I	A	L	D	I	A	N	E	L	O	N	G	N	T	N	A	E	S	I
M	A	N	N	I	Q	U	I	N	S	U	N	N	Y	O	N	S	P	A	M	I

1. Successful companies periodically analyze why they are in business.

2. The goals, long-run and short-run, that a retailer hopes to attain.

3. How a company is doing and how well are they are doing it - the fit between the company's mission and it's objective.

4. Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

5. Any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

6. Creation of a favorable impression for a product, service, organization or person to earn public understanding and acceptance.

7. Nonpersonal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favorable presentation of it on radio, television, or stage that is not paid for by the sponsor.

8. Those marketing activities, other than personal selling, advertising and publicity, which stimulate consumer purchasing and dealer effectiveness such as displays, shows, exhibitions, demonstrations, and various nonrecurrent selling efforts not in the ordinary routine.

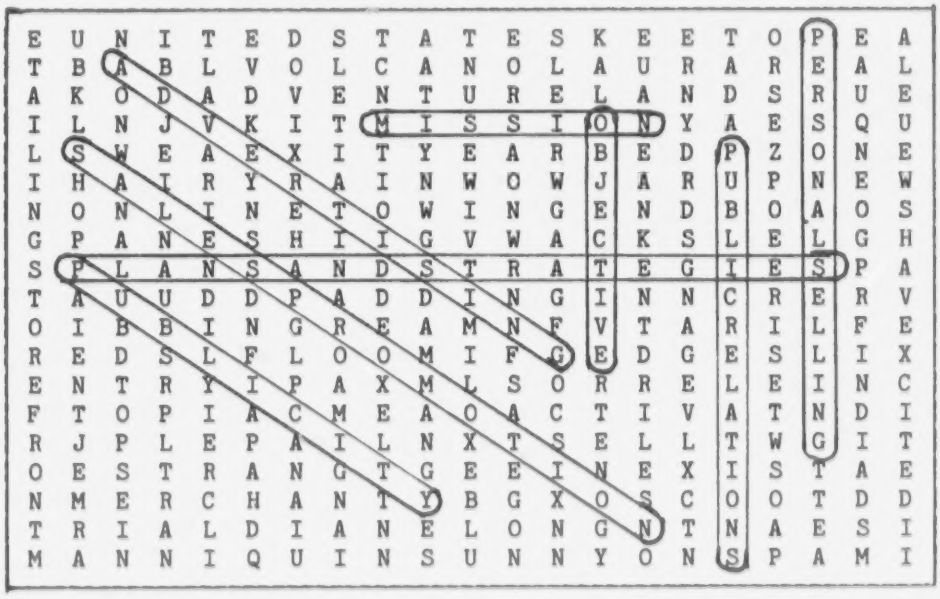
ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B001: Define marketing strategy.

TASK# B004: Define promotional mix.

KEY

1. Mission
2. Objective
3. Plans and strategies
4. Personal selling
5. Advertising
6. Public relations
7. Publicity
8. Sales promotion


E U N I T E D S T A T E S K E E T O P E A
T B A B L V O L C A N O L A U R A R E A L
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L S W E A E X I T Y E A R B E D P Z O N E
I H A I R Y R A I N W O W J A R U P O N E W
N O N L I N E T O W I N G E N D B O A O S
G P A N E S H I I G V W A C K S L E L G H
S P L A N S A N D S T R A T E G I E S P A
T A U U D D P A D D I N G I N N C R E R V
O I B B I N G R E A M N F V T A R I L F E
R E D S L F L O O M I F G E D G E S L I X
E N T R Y I P A X M L S O R R E L E I N C
F T O P I A C M E A O A C T I V A T N D I
R J P L E P A I L N X T S E L L T W G I T
O E S T R A N G T G E E I N E X I S T A E
N M E R C H A N T Y B G X O S C O O T D D
T R I A L D I A N E L O N G N T N A E S I
M A N N I Q U I N S U N N Y O N S P A M I

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B002: Identify factors that affect marketing strategies.

TASK# B003: Describe a marketing strategy for a given situation.

TASK# B008: Identify reasons for government regulation of business activities.

TASK# B009: Describe how government regulates business activities.

Case Study

E.T. WRIGHT & COMPANY

Five year ago, E.T. Wright & Co. couldn't sell enough shoes to keep its factory in Rockland, Massachussetts busy. Wright's old fashioned but durable dress shoes appealed mostly to an aging group of well-off men who bought them only when an old pair wore out. Department stores, which once accounted for 30% of Wright's sales, had lost interest in stocking the expensive footwear because of inventory costs.

Today, Wright's employees are working overtime, sales are about $19 million a year and growing at about a 6% annual rate; management is seeking ways to expand production capacity. "They're strong as horseradish," says Ivor Olson, an industry consultant who has advised the company.

Wright, still owned by the families of those who founded it in 1895, is a survivor of an ailing industry. The expensive men's shoe market hasn't been as hard hit by imports as have other areas. Wright estimates that less than a third of the industry has been taken over by foreign companies. That is compared to 74% of the entire U.S. footwear market. Still, dozens of Wright's competitors have sold their brand names or folded altogether, victims of poor management, financial weakness, changing fashions or distribution problems. Wright's better times reflect the success of two risky marketing moves the company made at the beginning of the decade. It broadened its product line to include the unfamiliar: both more stylish and less expensive shoes, and despite grouching from some retailers, it began selling shoes by mail.

Meanwhile, Wright didn't try to cheapen its traditional shoes. Instead, it kept raising the price-now at $130 a pair. Wright's first new products were only slightly different from its old ones that only a shoemaker could see the changes. But soon they added shoes without laces, shoes with tassels, and shoes with crepe soles. It began to make lighter, more flexible shoes and hand-sewn shoes that appealed to younger men.

The tactic worked. Wright shoes, which had been popular only with men older than 55, began to catch on with younger customers. "We're getting nice young men, 30 to 35, who are just beginning to make good money so they can afford $130 shoes," says Herbert Sherman, a Philadelphia shoe retailer.

"Young men are less price conscious today about footwear than they used to be," says Alfred Donovan, Wright's president and grandson of one of its founders. "After all, they pay $120 for a pair of sneakers."

Nevertheless, Wright figures that only 2% of adult American men buy high-priced shoes. So Wright recently began to sell $80 rubber-sole casual shoes made to its specifications by two other small companies. "If you're geared to

TASK# B002, B003, B008, B009:

make $130 footwear, you really can't make $80 footwear in the same factory," says Joseph Morocco, Wright vice president.

Mr. Olson, the consultant, says Wright, "was clinging to one channel of distribution, the independent shoe store and key department stores." Some shoe manufacturers addressed the distribution problem by opening their own stores, but Wright felt it didn't have the experience for that and it feared the expense of spreading inventory across the country. Inventory is no small consideration for a shoemaker. Wright stocks about 45,000 pairs worth $2.25 million at wholesale. For one style, the company has 84 different sizes.

Wright figured a mail-order business could share its central inventory. So in 1979, the company hired a direct-mail whiz and began mailing catalogs. The business grew slowly, in part because Wright built its mailing list of about 200,000 names mostly through its own ads.

"We didn't make any money for the first three years," Mr. Donovan says. Now 25% of Wright's sales come by mail, and the company says that most of the retailers have stopped complaining. Even Mr. Sherman admits his sales haven't suffered since Wright began selling by mail.

Now Mr. Donovan and Mr. Morocco, who constitute half of the Wright's management team, are worrying about ways to make more shoes. Expansion of the Rockland factory isn't likely; factory workers are hard to come by in Boston's high-tech suburbs and Wright's wages average a relatively low $7 an hour. Instead, Wright is experimenting with contract manufacturing - providing leather to other companies to see if they can stitch the pieces together to Wright's standards for its high-priced shoes.

One potential problem has ease, however. Six months ago, Wright was worrying about the steady disappearance of the New England companies that sell insoles, heels, eyelets, and other parts. Recent government moves to protect domestic shoemakers should help keep suppliers in business, Wright believes.

That's a relief. Says Mr. Donovan: "You can't have a cab go into Boston and pick up some eyelets if the factory is in the Phillipines."

Source: David Wessel, "Not Sticking to Its Last Leads an Old Shoemaker to Success:, The Wall Street Journal, July 29, 1985.

Discussion Questions

1. Prepare a description and assessment of Wright's marketing strategy.

2. Why might distribution by mail as well as through retail stores make retailers angry?

3. How did the government regulate business activities in this footwear industry?

4. Why did the government intervene in this business situation?

5. What effect did government intervention in business have in this situation?

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B002: Identify factors that affect marketing strategies.

TASK# B003: Describe a marketing strategy for a given situation.

TASK# B008: Identify reasons for government regulation of business activities.

TASK# B009: Describe how government regulates business activities.

KEY

1. Strategy - change in distribution chart
   - introduce new product line
   - changed target market, younger men, direct mail

2. competition

3. import restrictions

4. to protect domestic shoe manufacturers

5. reduced access of extras

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B005: Describe the potential elements of a promotional mix.

TASK# B006: Identify the major advantages and disadvantages of different forms of product promotion.

TASK# B007: Describe the most important factors that management should consider when designing a promotional mix.

Case Study

As an account executive of the Galaxy Corporation, your sales manager has just assigned you to the Freedom Fry product. This product is a new and revolutionary product that is free of calories and cholesterol and has been proven to taste better than competing products. Your responsibility is to develop a promotional mix to introduce this new product to the general public and to the supermarket and restaurant industries. Be prepared to present your ideas to your sales manager, giving advantages and disadvantages of the promotional mix you have chosen. Identify the most important factors that you considered while designing this promotional mix.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B005: Describe the potential elements of a promotional mix.

TASK# B006: Identify the major advantages and disadvantages of different forms of product promotion.

TASK# B007: Describe the most important factors that management should consider when designing a promotional mix.

KEY

	Advantages	Disadvantages
Promotional mix	customer wants low fat (cholesterol), better taste more market share from competition	cannibalism (eat up own market)
Personal selling	determine customer's needs and wants in industrial market and private market	time, expense
Advertising	reach large audience	which media to use most effectively
Public relations	healthy product	government approval
Publicity	receive media coverage due to health awareness	no control
Sales Promotion	displays, free samples in grocery stores of fried product	people that don't like fried foods but use in other ways

The most important factor would be to get fast food companies to use.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B010: Describe the types and levels of union organization.

Assignment

Read each statement. For each statement match: 1) the type of union organization in column I, and 2) at which level each individual would function in column II.

Column I (Type)	Column II (Level)
A. Craft/Trade	1. President
B. Industrial	2. Secretary/Treasurer
	3. Shop Steward
	4. Union Member

		Type	Level
1.	Handles grievances in carpentry industry	_____	_____
2.	Keeps track of records in mining industry	_____	_____
3.	Works in clothing manufacturing	_____	_____
4.	Official representative for airline pilots	_____	_____

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B010: Describe the types and levels of union organization.

KEY

		Type	Level
1.	Handles grievances in carpentry industry	A	3
2.	Keeps track of records in mining industry	B	2
3.	Works in clothing manufacturing	B	4
4.	Official representative for airline pilots	A	1

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B011: Identify the issues most commonly discussed during labor-management negotiations.

TASK# B012: Explain the effects of unionism on labor and management.

Assignment

In a written report, explain the effects that unions have on labor and management and the issues most commonly discussed during labor-management negotiations.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B011: Identify the issues most commonly discussed during labor-management negotiations.

TASK# B012: Explain the effects of unionism on labor and management.

Key

Answers will vary but should address:

Unions negotiate with employers for higher wages, better working conditions, fair hiring and dismissal practices, and better benefits. If business is successful, employees have a better chance of getting higher wages and better working conditions, then management has a better chance of increasing business profits. It is better for everyone to keep business running smoothly.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B013: Define international trade.

TASK# B014: Explain why nations engage in international trade.

TASK# B015: Describe how international trade affects the economic interdependence of nations.

CASE STUDY

Harvey Whineberger, president of Snowball Popcorn, Inc., entered the popcorn market in 1972. He is considered the person most responsible for creating a gourmet popcorn market in the United States. His claim to fame is that his corn is lighter, fluffier, more tender, and bigger than ordinary popcorn. He also boasts that his popcorn has fewer hard, unpopped kernels than competitive products.

Mr. Whineberger spent six months in England. He was surprised that the British ate practically no popcorn yet consumed large amounts of other snacks. The only popcorn he could find, besides some stale bagged corn in supermarkets, was caramel corn, and it wasn't very popular. Mr. Whineberger believes there is a great opportunity in England. The British are big snackers, they visit pubs on a frequent basis, and they are great TV watchers. He wants to explore the possibility of expanding into England. At the moment he is thinking about exporting his franchise gourmet-shop operation and licensing stores to sell his brand of popcorn. Although he is open to suggestions of other possibilities, he is sure, as he told his board of directors, that "Snowball Popcorn" will have a major investment in England within two years." As his staff assistant, you have been selected to:

Explain to Snowball's key people what international trade is and why Snowball Popcorn should consider expanding to England.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B013: Define international trade.

TASK# B014: Explain why nations engage in international trade.

TASK# B015: Describe how international trade affects the economic interdependence of nations.

KEY

International trade is the exchange of goods on a global basis.

Nations engage in international trade to expand their market. Since England has the market of people who enjoy snacks but have little popcorn available, it is a great opportunity for Snowball to push into the market since the market in the U.S. is becoming saturated.

By selling Snowball Popcorn in England, both countries are becoming dependent on each other. England, by depending on the U.S. product, and the U.S. by depending on England as part of their market.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B016: Explain the meaning of business risks.

TASK# B017: Identify types of risks that businesses encounter.

Exercise

Identify each of the following statements, by placing a "T" for True or an "F" for False in the blank provided, as to whether or not it is a business risk.

_____ 1. Business risks are the potential losses that a business faces.

_____ 2. All businesses face the same risks.

_____ 3. Risks are either insurable or uninsurable.

_____ 4. The potential loss of sales is an insurable risk.

_____ 5. The type and amounts of insurance coverage needed by a business depend upon the characteristics of the business.

_____ 6. Insurance coverage helps reduce the chance of loss to a business.

_____ 7. Businesses need to insure all of their potential losses.

_____ 8. Insurable risks include potential loss by fire, theft and illness.

_____ 9. Most businesses find that insurance costs are unnecessary.

_____10. Insurance coverage is an unnecessary evil.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B016: Explain the meaning of business risks.

TASK# B017: Identify types of risks that businesses encounter.

KEY

1. T
2. F
3. T
4. F
5. T
6. T
7. F
8. T
9. F
10. F

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B018: Explain how businesses deal with the various types of risks.

Fill in the blank(s) with the appropriate missing word(s).

1. A business can identify potential hazards and establish safety rules, but _____ insurance is still necessary.

2. Loss-prevention procedures and _____ insurance is necessary for businesses to reduce risks.

3. _____ insurance covers damages to the premise's equipment and inventory caused by fire, explosion, wind, water or smoke.

4. A business may protect itself from losses due to robbery, burglary, employee dishonesty or vandalism, shoplifting, and bad-check losses with _____ insurance.

5. A business may reduce its risk with _____ _____ insurance if revenue is lost during a temporary halt in business caused by fire, theft or illness.

6. If a partner or a person essential to the management operation becomes disabled or dies, a business can reduce it's risk by having _____ _____ insurance.

7. An employer must have _____ _____ insurance that covers injuries and loss of pay related to employee accidents on the job.

ECONOMICS AND MARKETING
ADVANCED MARKETING

TASK# B018: Explain how businesses deal with the various types of risks.

KEY

1. accident or liability
2. theft
3. Fire
4. theft
5. business interruption
6. key person
7. workman's compensation

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C001: Identify qualities necessary for management/entrepreneurship.

TASK# C002: Compare personal qualities with those needed for management/ entrepreneurship.

Part I:

Assignment

A. Develop a list of ten qualities that you feel are important for a manager/ entrepreneur to have.

B. Think about the qualities you just developed. Rate yourself on your level of achievement on each trait. Circle the number that best describes you, with one being the lowest and four the highest.

HANDOUT

Qualities of a Manager/Entrepreneur

	Lowest			Highest
1.	1	2	3	4
2.	1	2	3	4
3.	1	2	3	4
4.	1	2	3	4
5.	1	2	3	4
6.	1	2	3	4
7.	1	2	3	4
8.	1	2	3	4
9.	1	2	3	4
10.	1	2	3	4

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C001: Identify qualities necessary for management/entrepreneurship.

TASK# C002: Compare personal qualities with those needed for management/ entrepreneurship.

Part II:

Now rate yourself on the statements provided in the handout. Add up the numbers you circled to determine how well you scored.

HANDOUT

Qualities of a Manager/Entrepreneur

	Lowest			Highest
1. I am a self-starter.	1	2	3	4
2. I get along well with people.	1	2	3	4
3. I like to share my thoughts with a group.	1	2	3	4
4. I like to organize things before I start.	1	2	3	4
5. I take responsibility for things.	1	2	3	4
6. I am a hard worker.	1	2	3	4
7. I am able to think quickly.	1	2	3	4
8. I am trustworthy.	1	2	3	4
9. If I start something, I also finish it.	1	2	3	4
10. I am an energetic person.	1	2	3	4
11. I am confident in my abilities.	1	2	3	4
12. I am a risk taker when it comes to achieving goals.	1	2	3	4
13. I am a creative person.	1	2	3	4

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C001, C002

KEY

Part I
Possible management qualities

1. Risk taker
2. Self-confident
3. Hard working
4. Goal oriented
5. Responsible
6. Innovative
7. Energetic
8. Organized
9. Integrity
10. Versatile
11. Trustworthy
12. Creative
13. People-oriented
14. Adaptable
15. Flexible

Part II:

To score rating sheet:

46-above	Possess strong managerial traits
33-45	Has managerial traits
20-32	Lacking managerial traits
Below 19	Severely lacking managerial traits

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C003: Identify resources available within the community which develop and strengthen management qualities.

Assignment

Eddie Cransky has been the manager at High Heels, a local shoe store, for the last 20 years. During that time period the store has been very successful. Eddie is a hard-working, considerate manager and all of the employees like him. Eddie's only downfall is that he has become stagnant with his management skills. He possesses some wonderful management qualities, but like every manager, he needs to develop new skills and strengthen his current ones.

Give Eddie 5 sources within the community he can take advantage of to strengthen or develop his management qualities.

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C003: Identify resources available within the community which develop and strengthen management qualities.

KEY

Possible sources could include:

- Join civic organizations
- Join professional organizations
- Attend management seminars
- Enroll in continuing education courses
- Read current publications within the field

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C005: Describe the full-time employment process.

Role Play

You have applied for a full-time sales position with Crazy Days sporting goods store. The manager, Mr. Ed, called and wanted to talk with you personally about the position. His only concern is your expectations of full-time employment since your previous experience only includes part-time positions. Be prepared to prove your understanding of this position in the interview.

Interview questions:

1. How do you expect this job to be different, in terms of pay, from your previous positions?
2. How many hours would you be willing to work per week?
3. Do you expect to receive any benefits with this position, and if so, what?
4. Do you expect this job to have any different responsibilities than your previous jobs?
5. Would you anticipate any differences in relationships with co-workers than with your previous part-time positions?

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C005: Describe the full-time employment process.

KEY

Answers will vary but should include the following ideas.

1. I expect to receive more pay from a full time position for the extra work that I do.

2. I would be willing to work at least 35-40 hours per week.

3. Along with working full-time, I would expect to receive overtime pay, vacation time and insurance benefits.

4. I expect to have more responsibility placed upon me with a full-time position. I would also expect my duties to be more challenging and time-consuming.

5. I anticipate having closer relationships with my fellow employees because of the extra time we'll spend together. This will also require me to be sensitive to others' needs and wants and to be cooperative.

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C004: Locate job prospects.

TASK# C006: Prepare a resume.

TASK# C007: Develop a strategy for job hunting.

Case Study

You are preparing to graduate from high school this year, and it is necessary that you find a job to pay your living expenses. But you don't want just any job, but one that matched your abilities and interests.

You are to review the classified ads in a newspaper for a position that matches your qualifications and desires. Upon selecting a position, prepare a cover letter and resume that would be appropriate to send to the potential employer. Remember, you need to convince the employer that your are the person for the position.

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

Role Play

You are the department manager of a local men's clothing department in a large department store. You have received the following memo. It is your job to read the memo, determine the relevant information and then teach the stock person the new method of stocking dress shirts.

MEMO

TO: All Department Managers - Men's Clothing

FROM: Al Bunting - District Visual Merchandiser

RE: New dress shirt stocking policy

In the past it has been the store's policy to stock our men's dress shirts according to diagram #1. Note that the blue and white shirts have been mixed together and therefore are not visually consistant.

DIAGRAM #1

							Display Cubes
*14 1/2 32/33	15 1/2 32/33	16 32/33	16 1/2 32/33	17 32/33	17 1/2 32/33	18 32/33	
14 1/2 32/33	15 1/2 32/33	16 32/33	16 1/2 32/33	17 32/33	17 1/2 32/33	18 32/33	
15 32/33	15 1/2 34/35	16 34/35	16 1/2 34/35	17 34/35	17 1/2 34/35	18 1/2 32/33	
15 32/33	15 1/2 34/35	16 34/35	16 1/2 34/35	17 34/35	17 1/2 34/35	18 1/2 34/35	

* (14 1/2) = neck size (32/33) = sleeve length

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

In order to make our visual presentation more consistent, I would like all stores to separate the blue and white shirts and size them according to diagram #2.

DIAGRAM #2

14 1/2 32/33	16 32/33	17 32/33	18 34/35	14 1/2 32/33	16 32/33	17 32/33	18 34/35
15 32/33	16 34/35	17 34/35	18 1/2 34/35	15 32/33	16 34/35	17 34/35	18 1/2 34/35
15 1/2 32/33	16 1/2 32/33	17 1/2 32/33	Display	15 1/2 32/33	16 1/2 32/33	17 1/2 32/33	Display
15 1/2 34/35	16 1/2 34/35	17 1/2 34/35	Cubes	15 1/2 34/35	16 1/2 34/35	17 1/2 34/35	Cubes

White Shirts Only

Blue Shirts Only

It is important that all stock people understand this new policy so all stores will look the same. Please make the necessary changes within one week of receiving this memo. Thank you!

COMMUNICATIONS IN MARKETING
ADVANCED MARKETING

TASK# A001: Teach individual employees to perform job duties.

TASK# A003: Interpret management policies to employees.

TASK# A007: Read a variety of business communications and determine the relevant information.

Use the following rating sheet to assess how well the department manager explained the new policy to the stock person.

RATING SHEET

The student:

	Excellent	Above Average	Good	Below Average	Unacceptable
1. gave an overview of the new policy.					
2. described rationale for new policy.					
3. explained the importance of the stock person's responsibility for carefully maintaining the policy.					
4. expressed confidence in stock person's ability to maintain the new policy.					
5. gave a detailed explanation of the new policy (may use the diagrams in the memo).					
6. asked the stock person to demonstrate understanding by describing policy in his/her own words.					
7. gave a deadline for completion.					
8. checked the stock person's job on the deadline date.					

EMPLOYMENT AND ADVANCEMENT
ADVANCED MARKETING

TASK# C004: Locate job prospects.

TASK# C006: Prepare a resume.

TASK# C007: Develop a strategy for job hunting.

KEY

Assessment Instrument

The student:	YES	NO
1. Used an appropriate format for the letter and resume.	_____	_____
2. Used correct grammar and spelling.	_____	_____
3. Prepared the letter to coincide with the specific employment opportunity.	_____	_____
4. Developed a resume with appropriate sub-sections.	_____	_____
5. Prepared a cover letter and resume that had good overall appearance.	_____	_____

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D001: Explain theories of human motivation with employees.

HUMAN MOTIVATION THEORIES - CROSSWORD PUZZLE

Down:

1. The most basic need in Maslow's hierarchy of needs.

3. The highest need in Maslow's hierarchy of needs.

5. The founder of the theory that states that employers either believe employees are lazy (Theory X) or employees naturally want to work (Theory Y).

7. According to Herzberg's motivation theory, _____ and motivation affect employees' behavior on the job.

9. The name of the person who introduced the principle of psychological advantage.

Across:

2. After physiological needs are met, a person is usually motivated by _____ needs (according to Maslow).

4. According to Chris Argyris, most people are naturally motivated to be _____-_____ and act independently.

6. Mayo's theory of motivation centers on employees' need for support and recognition. This theory is best known as the _____ _____.

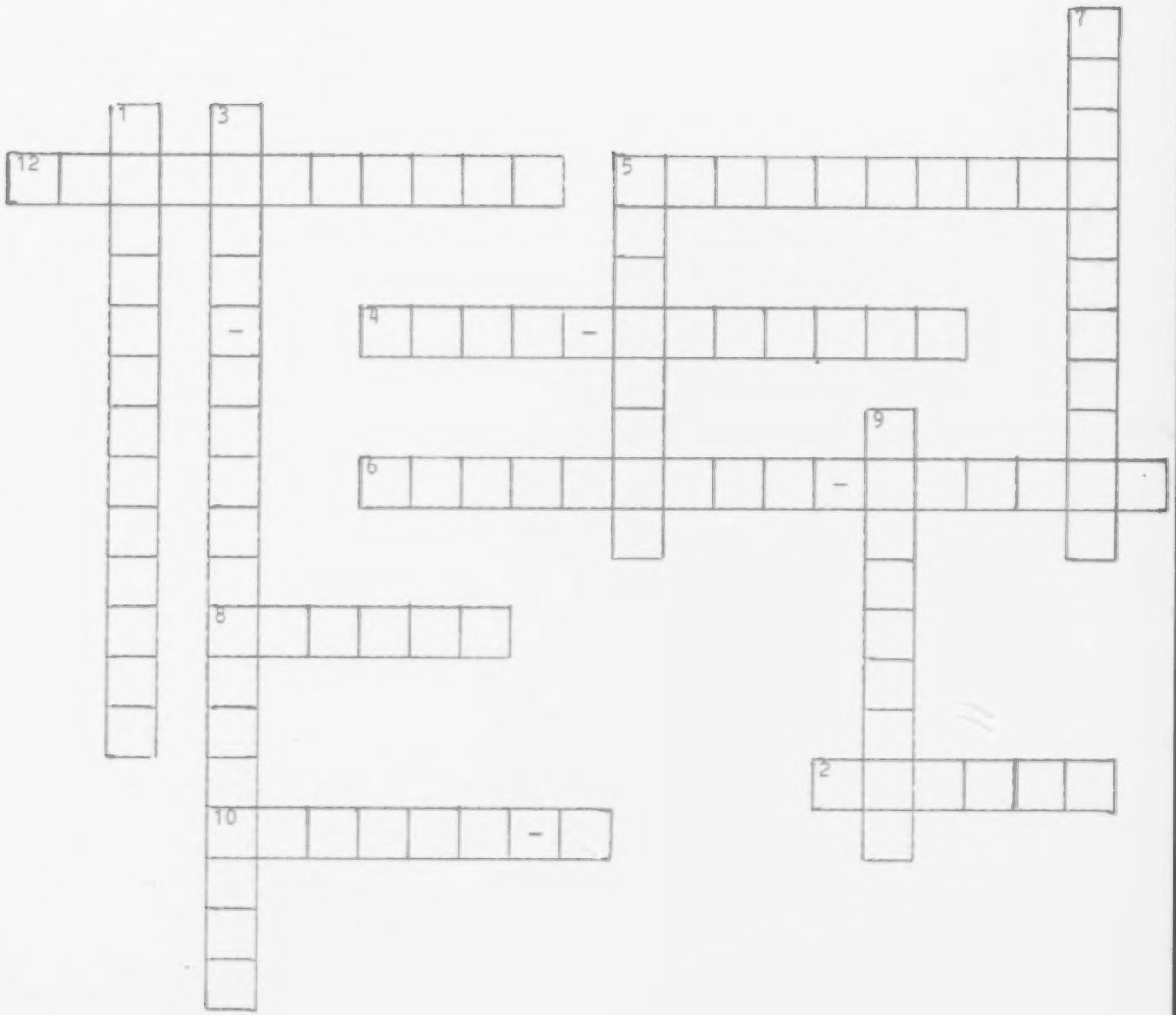
8. The founder of the theory that a team-like atmosphere motivates employees.

10. Ouchi's theory states that employees are motivated by participatory decision making, long-term guaranteed employment and rotation of managers. Companies who use this style of management have a _____ organizational style.

12. According to psychologist David McClelland, most people have a(n) _____ motive.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

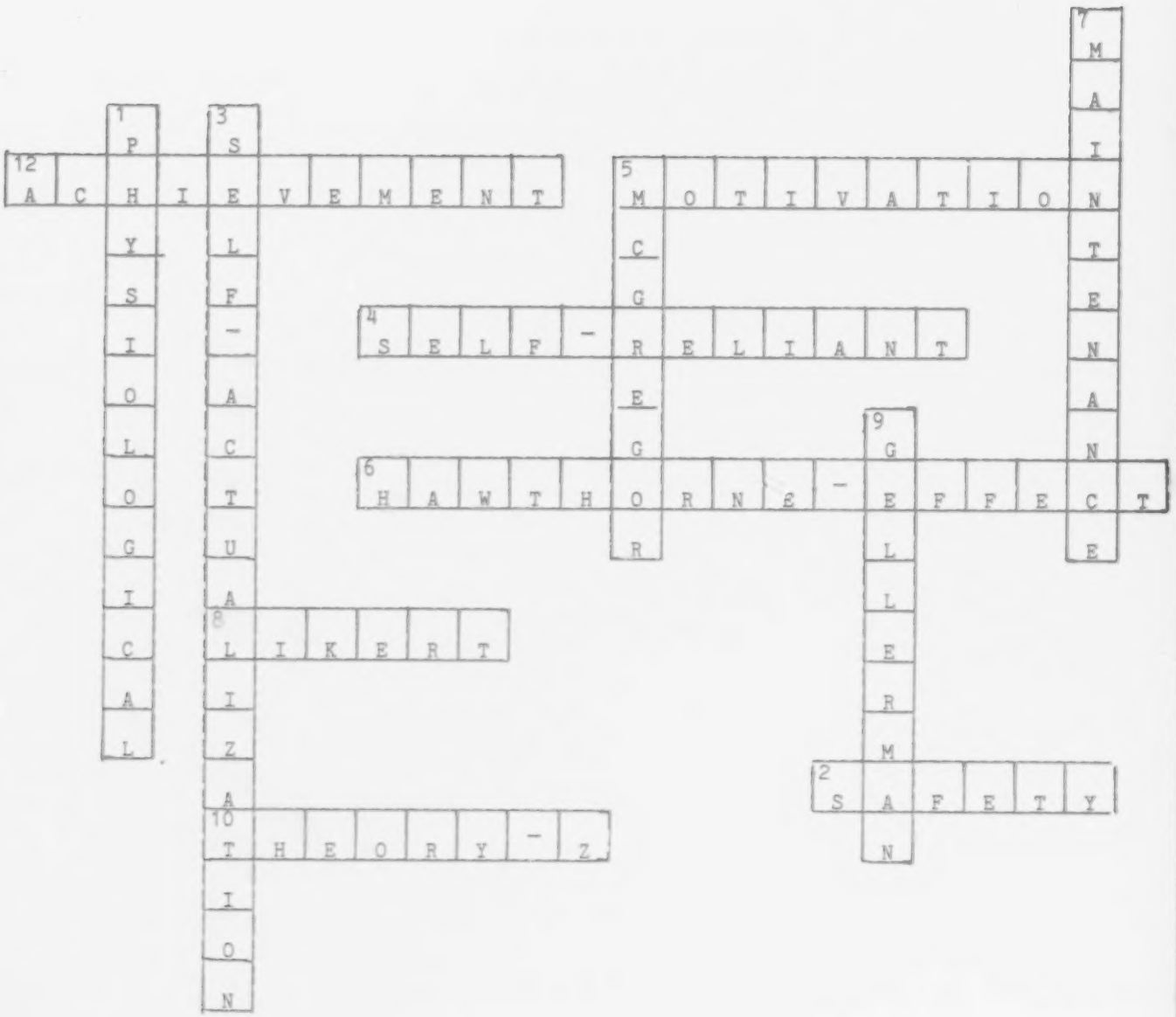
TASK# D001: Explain theories of human motivation with employees.



HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D001: Explain theories of human motivation with employees.

KEY



HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D002: Maintain a pleasant working environment.

Case Study

You are a successful entrepreneur making plans to open an up-scale department store called Topper's. Topper's will employ approximately 170 men and women. The store will have 17 different departments, a merchandise warehouse, a display storeroom, several offices and a loading dock.

Your past experience has taught you the importance of favorable working conditions for motivating employees. It is now your job to design and define the working conditions at Topper's. Because Topper's is up-scale, you have a large budget with which to work.

List and describe at least five elements of Topper's working conditions.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D002: Maintain a pleasant working environment.

KEY

Students' answers will vary, but should include several of the following elements.

- Sales floor, warehouse, storeroom and offices free from hazards
- Separate, comfortable, clean restrooms
- Spacious offices
- Modern equipment that works
- An employee lunch room or cafeteria
- Free coffee
- Store nurse or special health clinic
- Schedule enough employees at all times so employees are not overworked
- Uncramped sales floor (so employees can do their jobs efficiently)

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D003: Recognize the accomplishments of others.

Find and research three articles that describe the theories or methods companies use to recognize the accomplishments of their employees. The articles may be found in magazines, newspapers or books, published in the last five years. The articles may be found in the local or school library, in materials you find at home and in the classroom.

After you have read the articles and understand their content, complete the following worksheet.

1. Name of Article #1:_____
2. Author:_____
3. Publication:_____
4. Date:_____
5. Where did you find this article?_____
6. Name of company cited:_____
7. Employee recognition theory used:_____

_____

8. Methods of employee recognition:_____

_____

9. Reasons for using each method:_____

_____

10. Effect of employer recognition practices on job performance:_____

_____

11. Your personal opinion of the employee recognition methods used:_____

_____

_____

_____

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D003: Recognize the accomplishments of others.

1. Name of Article #2:_____
2. Author:_____
3. Publication:_____
4. Date:_____
5. Where did you find this article?_____
6. Name of company cited:_____
7. Employee recognition theory used:_____

_____

8. Methods of employee recognition:_____

_____

9. Reasons for using each method:_____

_____

10. Effect of employer recognition practices on job performance:_____

_____

11. Your personal opinion of the employee recognition methods used:_____

_____

_____

_____

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D003: Recognize the accomplishments of others.

1. Name of Article #3:_____
2. Author:_____
3. Publication:_____
4. Date:_____
5. Where did you find this article?_____
6. Name of company cited:_____
7. Employee recognition theory used:_____

_____

8. Methods of employee recognition:_____

_____

9. Reasons for using each method:_____

_____

10. Effect of employer recognition practices on job performance:_____

_____

11. Your personal opinion of the employee recognition methods used:_____

_____

_____

_____

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D003: Recognize the accomplishments of others.

KEY

Based on your research, for which company would you like to work?

Why?

(Answer based on student's personal opinion)

Example:

1. Name of Article #1: AT & T Motivates Employees Through Recognition
2. Author: T.H. Laurance
3. Publication: Time magazine
4. Date: May 7, 1939
5. Where did you find this article? school library
6. Name of company cited: AT & T
7. Employee recognition theory used: Give credit for doing a good job to motivate individuals to strive to do their best
8. Methods of employee recognition: Company-wide newsletter called, "You're the BEST!"
9. Reasons for using each method: Gives visibility to accomplishments which increases recognition and approval by peers
10. Effect of employer recognition practices on job performance: Higher productivity and creativity
11. Your personal opinion of the employee recognition methods used: I would like this because when I do a good job I like others to know it.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D004: Recognize the importance of professional organizations in the marketing field.

TASK# D005: Recognize the importance of trade associations in community affairs.

TASK# D006: Recognize the importance of participation in community affairs.

TASK# D007: Recognize the social obligations of marketing.

INTERVIEW:

Interview two local business people. Each should be the owner or manager of a business. Fill out the interview rating sheet for each businessperson. Attach the business card of each interviewee to their rating sheet.

The purpose of the interviews is to determine the importance of a company's involvement in professional organizaitons and community affairs.

Make sure you call the business people in advance to set up appointments. Professional dress and behavior are required. Follow up each interview with a thank you note.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D004, D005, D006, D007

Attach
business card here

INTERVIEW RATING SHEET

1. INTERVIEWEE'S NAME:_____POSITION:_____

2. INTERVIEWEE'S COMPANY NAME:_____

3. List the name of each professional organization to which you belong. Follow each organization with the personal and/or professional benefits received.
   a. ORGANIZATION:_____
      BENEFITS:

   b. ORGANIZATION:_____
      BENEFITS:

   c. ORGANIZATION:_____
      BENEFITS:

4. List the name of each trade association to which you belong. Follow each association with the personal and/or professional benefits offered.
   a. ASSOCIATION:_____
      BENEFITS:

   b. ASSOCIATION:_____
      BENEFITS:

   c. ASSOCIATION:_____
      BENEFITS:

5. List and describe your business participation in community affairs.
   a.

   b.

   c.

6. What are the overall benefits your business receives through community participation?

7. What do you believe your business' social obligations are to the community?

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D004, D005, D006, D007

Attach
business card here

KEY

INTERVIEW RATING SHEET

1. INTERVIEWEE'S NAME: John Brown POSITION: Salesperson

2. INTERVIEWEE'S COMPANY NAME: Best Office Supply

3. List the name of each professional organization to which you belong. Follow each organization with the personal and/or professional benefits received.
   a. ORGANIZATION: Chamber of Commerce
      BENEFITS: Network with local businesspeople and enhance community relations.

   b. ORGANIZATION: _____
      BENEFITS:

   c. ORGANIZATION: _____
      BENEFITS:

4. List the name of each trade association to which you belong. Follow each association with the personal and/or professional benefits offered.
   a. ASSOCIATION: American Marketing Association
      BENEFITS: AMA newsletter
      Guest speakers at the monthly meeting suggest new marketing techniques

   b. ASSOCIATION: _____
      BENEFITS:

   c. ASSOCIATION: _____
      BENEFITS:

5. List and describe you and your business participation in community affairs.
   a. Sponsor runners in the hospital's annual FUN RUN fundraiser.
   b.
   c.

6. What are the overall benefits your business receives through community participation?
   Creates goodwill with customers and serves as a promotional tool.

7. What do you believe your business' social obligations are to the community?
   To promote community involvement and contribute to the local economy.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D008: Recognize marketing problems involving ethics.

Matching:

There are many laws designed to control unethical practices by marketers. Listed in Column A are a number of such laws. In Column B you will find the definitions of different laws. Match the laws in Column A with the appropriate definition from Column B. Write the corresponding number from Column B in the space provided before each item in Column A.

Column A	Column B
_____ Personnel laws	1. In some areas, it is illegal to sell an item below cost, even if the consumer is not deceived.
_____ Product safety laws	2. Retailers can be sued if they sell defective products.
_____ Product liability laws	3. It is not legal to lure a customer into a store to buy an inexpensive item and then try to switch the customer to a higher-priced item through pressure selling.
_____ Warranty and guarantee laws	4. These involve the hiring, promoting, and firing of employees in a fair manner.
_____ Inventory laws	5. It is not legal to discuss selling price with competitors under any circumstances. This is now enforced with stiff fines and sometimes with jail sentences.
_____ Lemon laws	6. If a retailer offers its own warranty, it must adhere to federal standards.
_____ Truth in advertising, labeling, and packaging	7. A sale is defined as a reduction in price from the retailer's normal selling price. Anything else called a sale is illegal.
_____ Loss leaders	8. Some states enforce penalties against late deliveries.
_____ Bait-and-switch laws	9. These mandate that a retailer have adequate stock when running a sale.
_____ Correct marking laws	10. Discounted and sale items must be marked with the correct price. It is not sufficient to have the sale price only noted in the store window.
_____ Collusion	11. These inhibit retailers from selling new products that have not been fully tested, or which have been declared unsafe.
	12. These specify consumer rights if new products, usually autos, require continuing repairs.
	13. These require retailers to be truthful and not to omit information.

HUMAN RELATIONS IN MARKETING
ADVANCED MARKETING

TASK# D008: Recognize marketing problems involving ethics.

KEY

__4__ Personnel laws

__11__ Product safety laws

__2__ Product liability laws

__6__ Warranty and guarantee laws

__9__ Inventory laws

__12__ Lemon laws

__13__ Truth in advertising, labeling, and packaging laws

__1__ Loss leaders

__3__ Bait-and-switch laws

__10__ Correct marking laws

__5__ Collusion

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E001: Use sales sheets in reporting daily sales.

TASK# E002: Maintain records of cash received and bank deposits.

TASK# E003: Report local, state and federal sales taxes.

Written Activity:

Directions:

The purpose of the daily report form is to: 1) balance daily transactions, 2) report daily sales, 3) report tax exempt transactions, and 4) calculate cash/check deposit amounts for the daily bank deposit. This is a very important document for your business so you must fill it out accurately.

Procedure: (each of the following numbered items corresponds with the attached daily report form.)

1) You will be provided with all of the necessary information to fill out the daily report form.

2) Fill in today's date.

3) Report the amount of cash from the register as counted at the end of the day.

4) Report the total amount of checks accepted.

5) Add the total of cash and checks.

6) Report the total Visa charges accepted.

7) Report the total MasterCard charges accepted.

8) Report the total Discover charges accepted.

9) Report the total American Express charges accepted.

10) Add all charges.

11) Subtract all voids not rung. (Your manager will give you the amount.)

12) Add all returns not rung. (Your manager will give you this total.)

13) Add lines 5, 10, 12 and subtract 11. This total represents the total amount of money your store actually took in.

14) You will find "ending sales to date" at the top of the closing tape. Write the figure here.

TASK# E001, E002, E003

Procedure: (continued)

15) You will find "beginning sales to date" at the top of yesterday's closing tape. This number represents the total sales your store started with today.

16) Subtract Beginning Sales from Ending Sales.

17) Report employee charges.

18) Report group charges.

19) Report lay-away.

20) Report employee charge returns.

21) Report group charge returns.

22) Report lay-away returns.

23) Add lines 16, 17, 18, 19 and Subtract lines 20, 21, 22. Record the total on line 23. This total represents the amount of money your store should have taken in.

24) Subtract line 13 from line 23. This figure represents the amount of money your store is short or over. A positive amount means an overage and a negative amount means a shortage.

25) List all tax exempt transactions. This is important for reporting local, state and federal taxes. You will find all the information on a tax exempt transaction voucher.

26) Before submitting the Daily Report Form to the Auditing office ask the manager to review and sign the form.

27) Sign the form. If there are problems or questions, the auditor will know who to talk to.

28) Report the amount deposited in the bank. Add lines 5 and 10 to get the total.

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E001, E002, E003

Beginning Sales to date: (Taken from yesterday's closing tape.) $2,702,586.34

CLOSING TAPE

Ending Sales	$2,705,321.41
Net Sales	2,670.21
Transaction Types:	
CASH	749.65
CHECKS	1,025.23
VISA	107.96
MASTERCARD	582.19
DISCOVER	-0-
AMERICAN EXPRESS	461.76
Employee Charges	100.00
Group Charges	-0-
Lay-Away	51.93
Employee Charge Returns	10.00
Group Charge Returns	-0-
Lay-Away Returns	7.91
Tax Exempt Amount	250.00
Discounts	25.00
Total Taxes	200.97

Cash Register Counts:

CASH	$ 751.65
CHECKS	1,025.23
VISA	107.96
MASTERCARD	582.19
DISCOVER	-0-
AMERICAN EXPRESS	461.76

Manager's Directions

- There was one void the cashier forgot to ring for $57.70
- There were no returns not rung.

TAX EXEMPT TRANSACTION VOUCHER

Transaction #P05921

Customer Name: Kim Jones
Address: 111 Oak St., Suite 71
Columbia, MO 65201

Tax Exempt Organization Name:
American Heart Association

Tax Exempt Number: 573921

Items Purchased:
250 customized mugs @ $1.00 each

Total Amount of Purchase: $250.00

Reason for purchase: Promotional item for Spring Fundraiser

Customer's Signature: _____

Manager's Signature: _____

Date: _____

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E001, E002, E003

DAILY REPORT FORM

2. Date:_____

3. CASH: _____

4. CHECKS: _____

5. Total Deposit:_____

6. VISA: _____

7. MASTERCARD: + _____

8. DISCOVER: + _____

9. AMERICAN EXPRESS: + _____

10. TOTAL: _____

11. Voids Not Rung: - _____

12. Returns Not Rung: + _____

13. TOTAL _____

14. Ending Sales To Date: _____

15. Beginning Sales To Date: - _____

16. Actual Daily Sales: _____

17. Employee Charges: + _____

18. Group Charges: + _____

19. Lay-Away: + _____

20. Employee Charge Returns: - _____

21. Group Charge Returns: - _____

22. Lay-Away Returns: - _____

23. TOTAL _____

24. Amount Short/
Amount Over _____

25. LIST ALL TAX EXEMPT TRANSACTIONS:

Transaction #	Amount of Sale	Tax Exempt Number	Reason For Tax Exemption

26. Manager's Signature:_____

27. Reporter's Signature:_____

28. Amount deposited in the bank:$_____

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E001, E002, E003
KEY

DAILY REPORT FORM

2. Date: (Today's Date)			
3. CASH:	751.65	14. Ending Sales To Date:	2,705,321.41
4. CHECKS:	1,025.23	15. Beginning Sales To Date:	-2,702,586.34
5. Total Deposit:	$1,776.88	16. Actual Daily Sales:	2,735.07
6. VISA:	107.96	17. Employee Charges:	+ 100.00
7. MASTERCARD:	+ 582.19	18. Group Charges:	+ -0-
8. DISCOVER:	+ -0-	19. Lay-Away:	+ 51.93
9. AMERICAN EXPRESS:	+ 461.76		
10. TOTAL:	$1,151.91	20. Employee Charge Returns:	- 10.00
		21. Group Charge Returns:	- -0-
11. Voids Not Rung:	- 57.70	22. Lay-Away Returns:	- 7.91
12. Returns Not Rung:	+ -0-		
		23. TOTAL	$2,869.09
13. TOTAL	$2,871.09	24. Amount Short/ Amount Over	over $2.00

25. LIST ALL TAX EXEMPT TRANSACTIONS:

Transaction #	Amount of Sale	Tax Exempt Number	Reason For Tax Exemption
P05921	$250.00	573921	Promotion

26. Manager's Signature: (signature of teacher)

27. Reporter's Signature: (signature of student)

28. Amount deposited in the bank: $ 2,928.79

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E004: Authorize checks according to the business policy.

Worksheet:

You work at an IGA grocery store as a check-out clerk. You accept many checks everyday so it is very important for you to follow store policy regarding the acceptance of checks.

Read the following check acceptance policy, then fill out the necessary information on the attached checks.

IGA CHECK ACCEPTANCE POLICY

1. IGA accepts only personal checks.

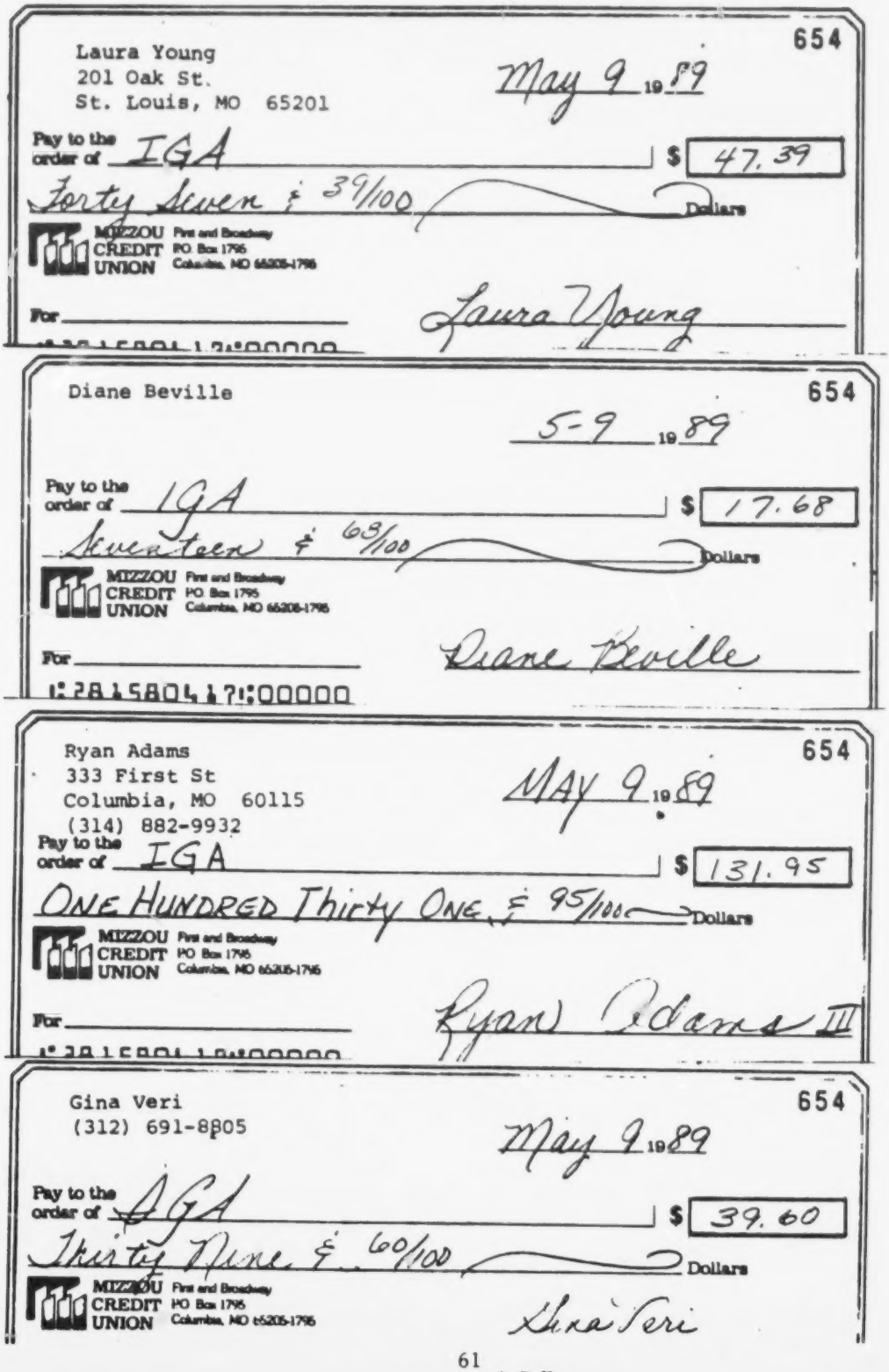
2. The front of each check must have the customer's name, address and phone number on it. For those checks which do not have this information, please write it on the front.

3. IGA requires the following additional information on the front of each check. Make sure it is recorded in the manner shown.

Your Initials	Drivers license state and number
Date of Birth (from Drivers License	Major credit card name and number

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E004: Authorize checks according to the business policy.



654

Laura Young
201 Oak St.
St. Louis, MO 65201

May 9 19 89

Pay to the order of IGA $ 47.39

Forty Seven & 39/100 Dollars

MIZZOU CREDIT UNION First and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Laura Young

1:28158041 12:00000

654

Diane Beville

5-9 19 89

Pay to the order of IGA $ 17.68

Seventeen & 68/100 Dollars

MIZZOU CREDIT UNION First and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Diane Beville

1:28158041 12:00000

654

Ryan Adams
333 First St
Columbia, MO 60115
(314) 882-9932

MAY 9 19 89

Pay to the order of IGA $ 131.95

ONE HUNDRED Thirty ONE & 95/100 Dollars

MIZZOU CREDIT UNION First and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Ryan Adams III

1:28158041 12:00000

654

Gina Veri
(312) 691-8805

May 9 19 89

Pay to the order of IGA $ 39.60

Thirty Nine & 60/100 Dollars

MIZZOU CREDIT UNION First and Broadway PO Box 1795 Columbia, MO 65205-1795

Gina Veri

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# 2004: Authorize checks according to the business policy.

Laura Young
201 Oak Street
St. Louis, MO 63111
(314) 758-4302
Date of Birth: 10/05/60
Driver's License Number: Y765-3429-3476 Missouri
Visa Number: 8832-123-341

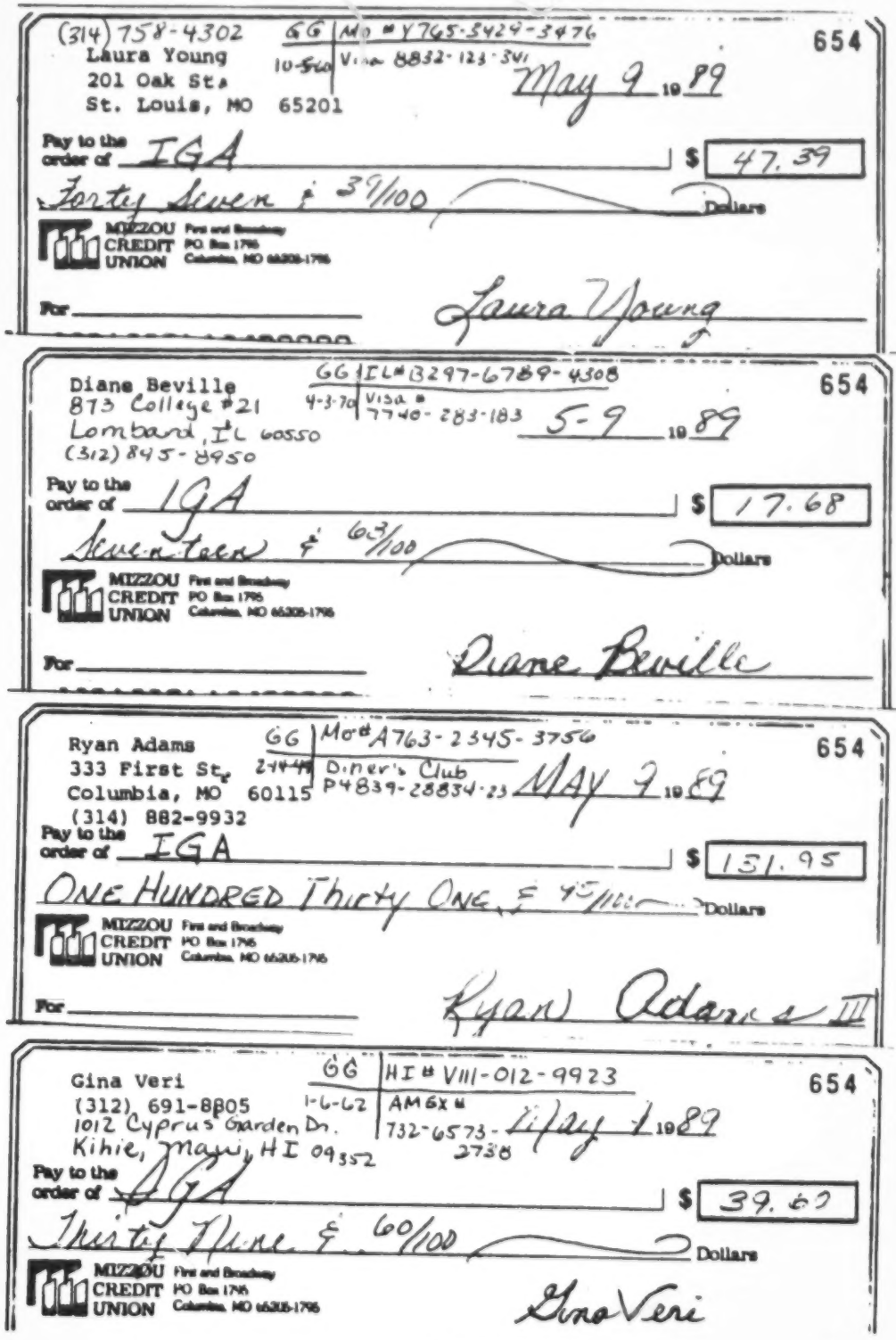
Diane Beville
873 College, Apt. 21
Lombard, IL 60550
(312) 895-8950
Date of Birth: 04/03/70
Driver's License Number: B297-6789-4308 Illinois
Visa Number: 7740-283-183

Ryan Adams
333 First Street
Columbia, MO 65211
(314) 882-9932
Date of Birth: 02/14/49
Driver's License Number: A763-2345-3756
Diner's Club: P4839-28834-23

Gina Veri
1012 Cyprus Garden Dr.
Kihie, Maui, HI 09352
(312) 691-8805
Date of Birth: 01/06/62
Driver's License Number: V111-012-9923 Hawaii
American Express Number: 732-6573-2738

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E004: Authorize checks according to the business policy.
KEY



(314) 758-4302
Laura Young
201 Oak St.
St. Louis, MO 65201

GG | Mo # Y765-3429-3476
10-5-70 | Visa 8832-123-341

654

May 9 1989

Pay to the order of IGA $ 47.39

Forty Seven & 39/100 Dollars

MIZZOU CREDIT UNION Fire and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Laura Young

Diane Beville
873 College #21
Lombard, IL 60550
(312) 845-8950

GG | IL# B297-6789-4308
4-3-70 | Visa # 7740-283-183

654

5-9 1989

Pay to the order of IGA $ 17.68

Seventeen & 68/100 Dollars

MIZZOU CREDIT UNION Fire and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Diane Beville

Ryan Adams
333 First St.
Columbia, MO 60115
(314) 882-9932

GG | Mo# A763-2345-3756
2-4-48 | Diner's Club P4839-28834-23

654

MAY 9 1989

Pay to the order of IGA $ 151.95

ONE HUNDRED Thirty One & 95/100 Dollars

MIZZOU CREDIT UNION Fire and Broadway PO Box 1795 Columbia, MO 65205-1795

For _____ Ryan Adams III

Gina Veri
(312) 691-8805
1012 Cyprus Garden Dr.
Kihie, Maui, HI 09352

GG | HI # VIII-012-9923
1-6-62 | AMEX # 732-6573-2738

654

May 1 1989

Pay to the order of IGA $ 39.60

Thirty Nine & 60/100 Dollars

MIZZOU CREDIT UNION Fire and Broadway PO Box 1795 Columbia, MO 65205-1795

Gina Veri

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E005: Figure stock turnover.

TASK# E006: Maintain stock control records.

TASK# E0[illegible]: Determine relationships between stock and sales.

TASK# E014: Interpret stock turnover in relation to department or company operating profits.

Written Activity:

A store's stock turnover rate represents the number of times the average stock of a business is sold during a given period of time compared with the sales for that same time period.

Listed below is the information needed to calculate the stock turnover rate for Kidned's Computer Store. Calculate the stock turnover rate for each quarter and the entire year.

	Month	Sales	Average Stock
1st quarter	Jan.	$14,500.00	$7,000.00
	Feb.	17,000.00	9,500.00
	March	24,000.00	8,000.00
2nd quarter	April	21,000.00	11,500.00
	May	25,000.00	10,000.00
	June	23,500.00	12,000.00
3rd quarter	July	16,000.00	9,500.00
	Aug.	14,000.00	8,000.00
	Sept.	10,000.00	6,500.00
4th quarter	Oct.	27,000.00	9,000.00
	Nov.	31,000.00	12,000.00
	Dec.	35,000.00	14,500.00

Answer these questions after calculating stock turnover.

1. In which quarter are the profits probably the highest?
2. Why did you pick that particular quarter (in #1)?
3. List 3 advantages of increasing the rate of stock turnover.
4. List 3 disadvantages of increasing the rate of stock turnover.
5. List 2 ways that the rate of stock turnover can be increased.

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E005: Figure stock turnover.

TASK# E006: Maintain stock control records.

TASK# E007: Determine relationships between stock and sales.

TASK# E014: Interpret stock turnover in relation to department or company operating profits.

KEY

Formula: Sales - Average Stock = Stock Turn

1st quarter: Sales = $55,500.00
Stock = $24,500.00
Stock Turnover = 2.27

2nd quarter: Sales = $69,500.00
Stock = $33,500.00
Stock Turnover = 2.07

3rd quarter: Sales = $40,000.00
Stock = $24,000.00
Stock Turnover = 1.67

4th quarter: Sales = $93,000.00
Stock = $35,500.00
Stock Turnover = 2.62

Year:
Sales = $258,000.00
Stock = $117,500.00
Stock Turnover = 2.20

Questions:

1. 4th quarter

2. The stock turnover rate is the highest.

3. a. More efficient use of capital
   b. Reduction of expenses, in relation to sales
   c. Fewer markdowns are needed
   d. Merchandise stays fresher
   e. Better competitive position

4. a. Stock shortages, so demand isn't met
   b. Loss of sales and customers
   c. Loss of profits

5. a. Increase sales with the same stock level
   b. Decrease stock level while keeping sales constant

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E008: Complete purchase orders.

TASK# E009: Complete invoices.

CASE STUDY WITH WORKSHEETS

Step 1:

You are the buyer for Wolff's Mens' Clothing Store. It is time for you to order ties for the upcoming fall season. You have calculated that you need to order 120 dozen ties from Byer Tie Manufacturer.

Fill out the attached purchase order. Byer only sells in packages of one dozen, so when you order "1", you are actually ordering one dozen. Remember that ordering more or less than the calculated amount can result in a profit or loss.

Byer Tie Manufacturers - Fall Stock List

Stock #	Description	Price
	Silks:	
SN01	Solid Navy Blue	$ 8.00
SB01	Solid Burgandy	8.00
SBK1	Solid Black	8.00
SR01	Solid Red	8.00
SFG1	Solid Forest Green	8.00
SRS1	Solid Rose	8.00
DBNP	Diagonal stripe - burgandy/navy/pink	11.00
DBLS	Diagonal stripe - black/silver	11.00
DGNO	Diagonal stripe - green/navy	11.00
DPSW	Diagonal stripe - purple/silver/white	11.00
DRWN	Diagonal stripe - red/white/navy	11.00
PFB3	Print (foulard)-burgandy	9.00
PFY3	Print (foulard)-yellow	9.00
PFN3	Print (foulard)-navy	9.00
PBL3	Print (foulard)-black	9.00
PFS3	Print (foulard)-silver	9.00
PTG3	Print (foulard)-teal green	9.00
	Wools:	
WBGW	Plaid - brown/gray/white	6.00
WRGW	Plaid - red/green/white	6.00
WRTP	Plaid - rose/teal/purple	6.00
WSR4	Solid Red	4.00
WSB4	Solid Burgandy	4.00
WSBK	Solid Black	4.00
WSN4	Solid Navy	4.00

Additional Information Needed:

- Address at Wolff's - 100 Wacker Dr., Chicago, IL 63095
- Ship Via: Freight, F.O.B. Chicago
- Terms: 2/10, net/30
- Date needed: August 15, 19__
- Account Number: 5790
- Salesperson: Use your (the student's) name

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E008: Complete purchase orders.

TASK# E009: Complete invoices.

PURCHASE ORDER

R
E
Y S
B E 493 Peachblossom Parkway
I Atlanta, GA 05850
T

Purchase Order No. 2315

T _____

Date: _____

O _____

Ship Via: _____

_____

Terms: _____

Date Needed: _____

Quantity	Stock #	Description	Unit Price	Total Amount
TOTAL				TOTAL

APPROVED BY: _____

TASK# E008: Complete purchase orders.

TASK# E009: Complete invoices.

Step 2:

Now assume the role of the person at Byer Tie Manufacturers who fills outgoing orders. Complete the following invoice according to the items listed on the purchase order from Wolff's.

It is important that you complete the invoice according to the purchase order. Mistakes can cause Byer to lose money and shipment of the wrong items to Wolff's.

INVOICE

R
E
Y S
B E 493 Peachblossom Parkway
I Atlanta, GA 05850
T

Sold To:_____ Date:_____ Terms:_____

Account No.:_____ Salesperson:_____

Address:_____

Stock #	Description	Quantity	Unit Price	Total Amount
SIGNATURE: _____		TOTAL		TOTAL

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E008: Complete purchase orders.

TASK# E009: Complete invoices.

KEY

PURCHASE ORDER

R
E
Y S
B E 493 Peachblossom Parkway
I Atlanta, GA 05850
T

Purchase Order No. 2315

Wolff's
T
100 Wacker Drive
O
Chicago, IL 63095

Date: (today's date)

Ship Via: Freight, F.O.B., Chicago

Terms: 2/10, net/30

Date Needed: August 15, 19

Quantity	Stock #	Description	Unit Price	Total Amount
10	SB01	Silk Solid Burgandy	8.00	$ 960.00
2	SBK1	Silk Solid Black	8.00	192.00
7	SR01	Silk Solid Red	8.00	672.00
1	SFG1	Silk Solid Forest Green	8.00	96.00
2	SRS1	Silk Solid Rose	8.00	192.00
20	DBNP	Silk Diagonal stripe	11.00	2,640.00
4	DBLS	Silk Diagonal stripe	11.00	528.00
12	DGNO	Silk Diagonal stripe	11.00	1,584.00
30	DRWN	Silk Diagonal stripe	11.00	3,690.00
8	PFB3	Silk Print Burgandy	9.00	864.00
8	PFN3	Silk Print Navy	9.00	864.00
8	PBL3	Silk Print Black	9.00	864.00
8	WSB4	Wool Solid Burgandy	4.00	384.00
TOTAL 120				TOTAL $13,800.00

APPROVED BY: (Student's signature)

*This is a sample of a possible answer. Answers may vary, but the total quantity must be 120.

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E008: Complete purchase orders.

TASK# E009: Complete invoices.

KEY

INVOICE

R
E
Y S
B E 493 Peachblossom Parkway
I Atlanta, GA 05850
T

Sold To: Wolff's Date: (today's date) Terms: 2/10, net 30

Account No.: 5790 Salesperson: (student's name)

Address: 100 Wacker Dr., Chicago, IL 63095

Stock #	Description	Quantity	Unit Price	Total Amount
SB01	Silk Solid Burgandy	10	8.00	$ 960.00
SBK1	Silk Solid Black	2	8.00	192.00
SR01	Silk Solid Red	7	8.00	672.00
SFG1	Silk Solid Forest Green	1	8.00	96.00
SRS1	Silk Solid Rose	2	8.00	192.00
DBNP	Silk Diagonal stripe	20	11.00	2,640.00
DBLS	Silk Diagonal stripe	4	11.00	528.00
DGNO	Silk Diagonal stripe	12	11.00	1,584.00
DRWN	Silk Diagonal stripe	30	11.00	3,690.00
PFB3	Silk Print Burgandy	8	9.00	864.00
PFN3	Silk Print Navy	8	9.00	864.00
PBL3	Silk Print Black	8	9.00	864.00
WSB4	Wool Solid Burgandy	8	4.00	384.00
SIGNATURE: _____		TOTAL 120		TOTAL $13,800.00

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E010: Interpret net income and loss.

TASK# E011: Interpret net sales.

TASK# E012: Interpret gross margin.

TASK# E015: Interpret profit and loss statements.

Given the following information from Bernie's Lawn and Garden Shop, write an income statement. After writing the income statement, please answer the questions at the end.

Sales = $160,000.00
Returned merchandise = $1,000.00
Beginning inventory = $52,000.00
Inventory purchased = $73,000.00
Ending inventory = $65,000.00
Operating expenses:
- Rent: $8,500.00
- Depreciation: $2,500.00
- Repairs: $1,900.00
- Salaries & Wages: $37,000.00
- Payroll taxes: $4,700.00
- Fringe Benefits: $2,000.00
- Taxes, licenses, fees: $1,500.00
- Insurance: $2,100.00
- Legal & accounting fees: $900.00
- Bad debts: $700.00
- Telephone: $400.00
- Utilities: $3,100.00
- Supplies: $600.00
- Security: $1,300.00
- Advertising: $6,400.00
- Interest: $900.00
- Postage & freight: $700.00
- Travel: $1,000.00
- Bank service charges: $100.00
- Miscellaneous: $3,000.00
- Federal income taxes: $25,000.00

Questions:

1. What is the sales volume necessary to achieve a net profit of $1,000.00 when the cost of goods sold is $100,000.00?

2. What is the gross margin with the sales volume and cost of goods sold in question number 1?

3. What is net sales when sales are $25,000.00, returns are $2,800.00 and the ending inventory is $75,000.00?

4. What results when gross margin is less than operating expenses?

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E010: Interpret net income and loss.

TASK# E011: Interpret net sales.

TASK# E012: Interpret gross margin.

TASK# E015: Interpret profit and loss statements.

KEY

Sales		$160,000.00
less: Sales returns	$ 1,000.00	
Net Sales		$159,000.00
Beginning inventory	52,000.00	
Inventory purchased	73,000.00	
less: Ending Inventory	65,000.00	
Cost of Goods Sold		$ 60,000.00
Gross Margin		$ 99,000.00
Operating expenses:		
Rent	8,500.00	
Depreciation	2,500.00	
Repairs	1,900.00	
Salaries & Wages	37,000.00	
Payroll taxes	4,700.00	
Fringe Benefits	2,000.00	
Taxes, licenses, fees	1,500.00	
Insurance	2,100.00	
Legal & accounting fees	900.00	
Bad debts	700.00	
Telephone	400.00	
Utilities	3,100.00	
Supplies	600.00	
Security	1,300.00	
Advertising	6,400.00	
Interest	900.00	
Postage & freight	700.00	
Travel	1,000.00	
Bank service charges	100.00	
Miscellaneous	3,000.00	
Total Expenses		79,300.00
Net Profit Before Taxes		19,700.00
Federal income taxes	25,000.00	
NET PROFIT <net loss>	<$5,300.00>	

1. $206,300.00 = Returns + total operating expenses + federal income taxes + Cost of goods sold + desired net profit

2. Gross margin = Sales - Returns - Cost of goods sold
   $105,300.00 = $206,300.00 - 1,000.00 - 100,000.00

3. Net sales = Sales - Returns $247,200 = $250,000.00 - 2,800.00

4. The company is operating at a net loss.

MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E013: Interpret break even points.

Written Assignment:

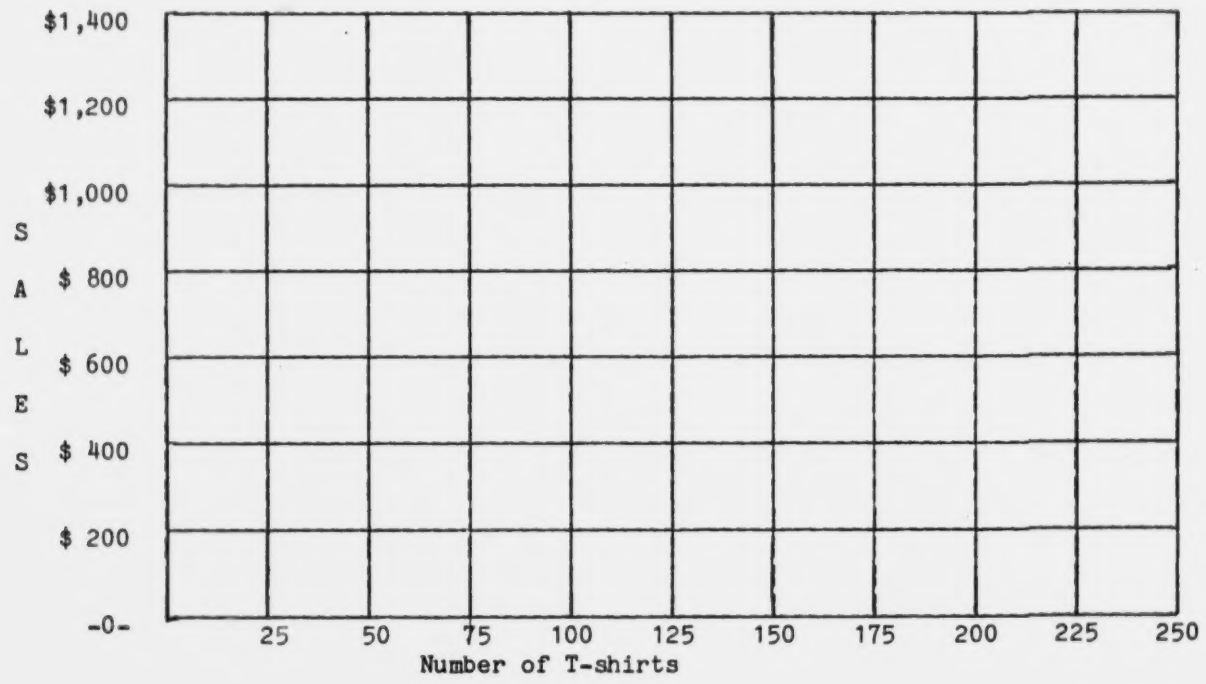
A club you belong to is considering selling T-shirts with the school mascot on the front. As treasurer, it is your job to determine the break-even point for T-shirt sales given the following information.

Proposed Selling Cost: $7.00 each
Fixed costs:
- Artwork - $50.00
- Silk Screen - $20.00
- Shipping (delivery) - $30.00

Variable costs (per T-shirt):
- Shirt price (for quantities less than 150) - $4.00
- Shirt price (for quantities more than 150) - $3.00
- Silk screen printing - $ .50
- Charge for 2 color printing - $ .50

Labor is provided by club members and you may use school facilities at no charge. The club will not have salary or rent expenses to cover.

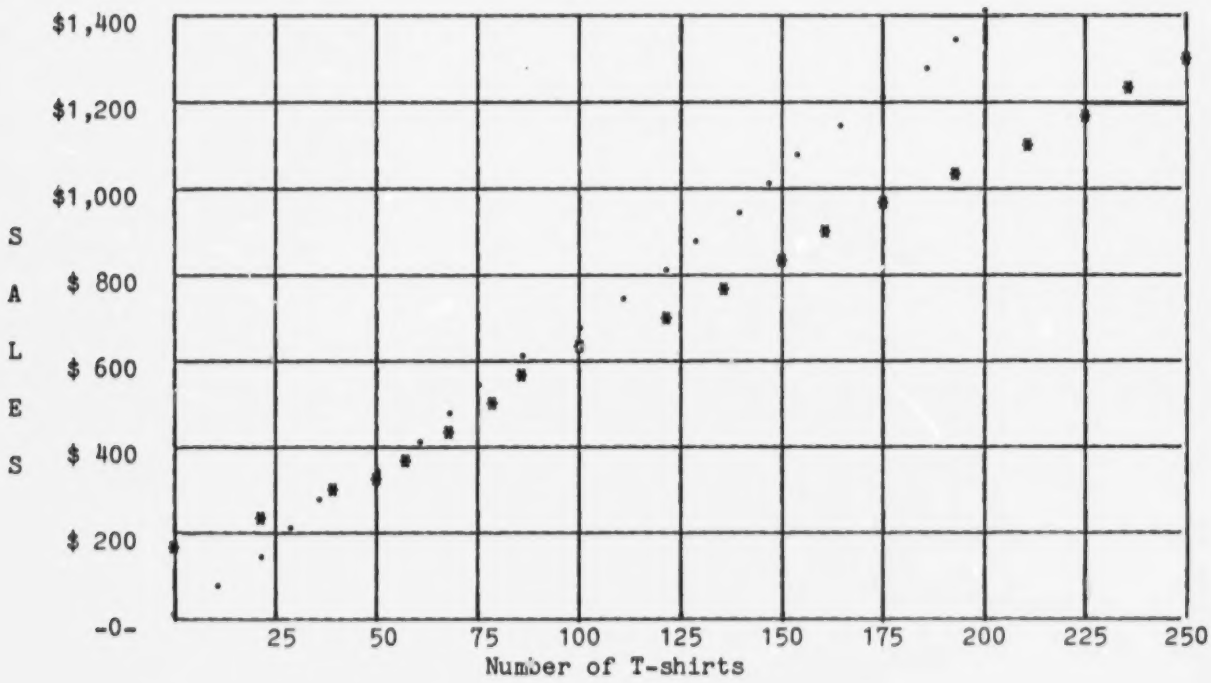
Use the following break-even chart to illustrate the club's break-even point on T-shirt sales.



MARKETING OPERATIONS
ADVANCED MARKETING

TASK# E013: Interpret break even points.

KEY



..... Expenses
***** Sales

Break-even point equals 50 shirts

MARKET PLANNING
ADVANCED MARKETING

TASK# F001: Identify a marketing research problem.

TASK# F002: Plan the research.

TASK# F003: Collect the secondary data.

TASK# F004: Collect the primary data.

TASK# F005: Apply sampling techniques to identify the sample population.

TASK# F006: Prepare the research instrument.

TASK# F007: Prepare the research report.

TASK# F008: Present the research report.

Research Project

Your marketing class has decided to do some fundraising. The question is, "What product would sell the best among the student body?" It is up to your group to decide upon a specific product, then determine the demand for the item. The following steps are necessary for the project:

1. After you have decided upon the problem, plan the research you will conduct to aid in the fundraising decision-making.

2. Collect any secondary data that relates to your research problem.

3. Prepare a research instrument that contains 10-15 key questions that relate to the problem at hand.

4. Using your chosen technique, collect primary data from the relevant population.

5. Analyze the data you have gathered.

6. Prepare a written, 2-3 page report that focuses on the research problem. Include a summary of the project, conclusions and recommendations concerning your product based upon the research.

7. Present the research report to the class. Prepare a 5-7 minute presentation with each group member participating.

MARKET PLANNING
ADVANCED MARKETING

TASK# F001, F002, F003, F004, F005, F006, F007, F008:

KEY: Students should work in groups of 4-5 people.

	YES	NO
I. Project		
The research group:		
1. devised a product that was relevant to the target market.	____	____
2. collected pertinent secondary data.	____	____
3. prepared a research instrument that contained 10-15 relevant, well-written questions.	____	____
4. chose a research method, preferrably using questionnaires or interviews of a representative sample of the student body.	____	____
5. collected primary data from the chosen population.	____	____
6. analyzed the collected data.	____	____
II. Written Report	YES	NO
The report:		
1. was well written.	____	____
2. used appropriate grammar and spelling.	____	____
3. was 2-3 pages in length.	____	____
4. focused on the research problem.	____	____
5. included a summary of the project.	____	____
6. provided conclusions obtained from the research.	____	____
7. made recommendations based upon the research.	____	____
III. Presentation	YES	NO
The oral report:		
1. was well planned.	____	____
2. was 5-7 minutes in length.	____	____
3. provided a good overview of the project.	____	____
4. was well presented.	____	____
5. included a presentation by each member of the group.	____	____

MARKET PLANNING
ADVANCED MARKETING

TASK# F009: Identify sources of ideas for new products.

TASK# F010: Identify the methods of screening ideas for new products.

TASK# F011: Identify the methods used for evaluating a new product idea.

Role Play

You, Mr./Mrs. Brite, are the Marketing Manager of Doctor & Ramble, Inc. (D & R), a company that manufactures a wide range of household products. The CEO of the company, Mr. Big, just called you into his office to discuss new product ideas. You need to be prepared to answer his questions appropriately. This is a critical meeting because you've heard that there are changes taking place in the management level of the firm.

1. Q:Lately Mr./Ms. Brite, our company has become stagnant. We definitely need new product ideas to revitalize the company. What sources can we use to generate these ideas?

2. Q:Once we have generated a list of ideas, what is the next step?

3. Q:I have heard that this step reduces two types of errors. What are those errors Mr./Ms. Brite?

4. Q:That sounds like a very important stage in the process. What techniques can we use to screen the new ideas?

5. Q:Well, this seems to be a great process to weed out unprofitable ideas. Is there another stage?

6. Q:What takes place in this step?

7. Q:Mr./Ms. Brite, what two outcomes are possible in this business analysis stage?

MARKET PLANNING
ADVANCED MARKETING

TASK# F009: Identify sources of ideas for new products.

TASK# F010: Identify the methods of screening ideas for new products.

TASK# F011: Identify the methods used for evaluating a new product idea.

KEY

Questions & Answers

1. Q:Lately Mr./Ms. Brite, our company has become stagnant. We definitely need new product ideas to revitalize our business. What sources can we use to generate these ideas?

   A: 1. Research & Development department
   2. customer complaints or suggestions
   3. employees within the company
   4. competitors' products

2. Q:Once we have generated a list of ideas, what is the next step?

   A:The next step in the process is screening, which involves analyzing the ideas to determine which ones match company objectives. Those that do receive more detailed study.

3. Q:I have heard that this step reduces two types of errors. What are those errors, Mr./Ms. Brite?

   A:The two errors an organization is attempting to avoid are keeping an idea that will not be successful and discarding an idea that might lead to a successful new product.

4. Q:That sounds like a very important stage in the process. What techniques can we use to screen the new ideas?

   A: 1. A concept statement involves a broader concept of the idea. It includes benefits for the firm, the feasibility of the design and its compatability with the target market.
   2. Opinions are sought from key personnel in the firm, i.e. production, finance and marketing. This gives an estimate of how valuable the product is in relation to each specific function.
   3. A concept test allows the firm to receive reactions from consumers concerning new product ideas and concepts.
   4. A special program can establish a committee that is used to screen new product ideas.

TASK# F009: Identify sources of ideas for new products.

TASK# F010: Identify the methods of screening ideas for new products.

TASK# F011: Identify the methods used for evaluating a new product idea.

KEY (continued)

Questions & Answers

5. Q:Well, this seems to be a great process to weed out unprofitable ideas. Is there another stage?

   A:Yes, the business analysis stage.

6. Q:What takes place in this step?

   A:The ideas are evaluated according to the organization's requirements for estimates of sales, market share, profit, or return on investment.

7. Q:Mr./Ms. Brite, what two outcomes are possible in this business analysis stage?

   A:If the idea does not have good market potential, it should be eliminated. On the other hand, if it makes it through this stage, the product enters the product development stage.

MARKET PLANNING
ADVANCED MARKETING

TASK# F012: Explain the importance of pre-testing a prototype of the new product.

TASK# F013: Describe the forms of product testing.

TASK# F014: Describe the introduction stage of product development.

Case Study

The Hillsbury Company manufactures baking goods. Last October the firm rolled out a new product nationwide--"Pickle and Pumpernickel Pastries". The company had spent eight months developing the correct mixture of ingredients. The firm was so confident that the American public would love the product it did not consult the target market beforehand. Instead, Hillsbury went full speed ahead with its national campaign. To the company's dismay, "Pickle and Pumpernickel Pastries" was a flop. Sales were very low and it was evident that the product was not going to be as successful as originally planned. Unfortunately, the Hillsbury company had spent a large percentage of its budget manufacturing and distributing the product.

1. The Hillsbury Company obviously made a big mistake with it's "Pickle and Pumpernickel Pastries" product. What one thing did the company fail to do that could have prevented such a loss?

2. What is a prototype?

3. Explain the importance of product testing and relate it to the "Pickle and Pumpernickel Pastries" case.

4. List three forms of product testing and briefly explain how the Hillsbury Company could have used each.

5. Under what condition would you introduce "Pickle and Pumpernickel Pastries" on a full-scale basis and what approaches could you use?

MARKET PLANNING
ADVANCED MARKETING

TASK# F012: Explain the importance of pre-testing a prototype of the new product.

TASK# F013: Describe the forms of product testing.

TASK# F014: Describe the introduction stage of product development.

KEY

1. The Hillsbury Company failed to test the product.

2. A prototype is a model of the new product and the first form of the product that the company makes.

3. *The purpose of testing a product is to reduce the probability of bringing out a new product that will eventually fail. It may be used to get the problems and defects out of the product before a full-scale introduction takes place.

   *The Hillsbury Company might have prevented such a big loss if it had first tested the product to determine consumer reaction.

4. *Laboratory testing
   Example: Hillsbury could have used this form of testing to determine the shelf life of the product, the most appropriate type of packaging, etc.
   *Testing using a special group of customers
   Example: Hillsbury could have given samples to parents to test their children's reaction to the product.
   *Test Markets
   Example: Hillsbury could have picked a specific area of the U.S. that was representative of their target market to test "Pickle and Pumpernickel Pastries". It would have allowed the company to determine how the product would perform in the actual marketplace before marketing it on a full-scale basis.

5. "Pickle and Pumpernickel Pastries" would be introduced on a full scale basis if it proved to be successful in the testing phase.

   - The product may be introduced in regional markets first.
   - It may be introduced first in large-city markets down to small-city markets.
   - "Pickle and Pumpernickel Pastries" may be aimed at market segments identified by demographic or psychographic characteristics.
   - A national rollout of the product is possible.

MARKET PLANNING
ADVANCED MARKETING

TASK# F015: Consider the factors that affect pricing.

Exercise

Put a "T" or "F" in the space provided depending on whether the statement is usually true or usually false.

Pricing Factors

_____ 1. The amount of goods purchased (quantity) has little effect on price.

_____ 2. Both the buyer and seller must agree on the value that each will give up.

_____ 3. Consumers associate quality with price.

_____ 4. A price reduction can have a promotional value for a marketer.

_____ 5. If the price of a product cannot be lowered from the sticker or list price, little value can be added by the salesperson.

_____ 6. A sweater purchased with cash will cost the same as a sweater bought on credit and paid for three months later.

_____ 7. Factors within an organization that influence pricing decisions include costs control, profit pressures, and pricing objectives.

_____ 8. Pricing is influenced by both competitors of existing products and new products.

_____ 9. Technological progress can reduce costs for firms and consumers.

_____10. If sellers supply less of a product than consumers demand, the price will decrease.

_____11. There are laws that attempt to prevent price fixing, price discrimination, and deceptive pricing.

_____12. Most consumers are price, but not quality, conscious.

MARKET PLANNING
ADVANCED MARKETING

TASK# F015: Consider the factors that affect pricing.

KEY

1. F
2. T
3. T
4. T
5. F
6. F
7. T
8. T
9. T
10. F
11. T
12. F

MARKET PLANNING
ADVANCED MARKETING

TASK# F016: Identify the most widely adopted pricing policies.

Exercise

Match the pricing technique with the correct example.

_____ 1. Odd-Even pricing

_____ 2. Prestige pricing

_____ 3. Leader pricing

_____ 4. Special-event pricing

_____ 5. Price lining

_____ 6. Cash discount

_____ 7. Quantity discount

_____ 8. Functional discount

_____ 9. Seasonal discount

_____10. Trade-in allowance

_____11. Advertising allowance

_____12. Rebate

_____13. FOB plant

_____14. Uniform delivered price

_____15. Zone pricing

A. P & G gives a 2% discount to wholesalers in return for local advertising.

B. Marketing Kleenex at a low price to attract customers into the store in hopes he/she will also buy other items.

C. A manufacturer of VCR's quotes a retail price of $400 with discounts of 40% and 15%.

D. 2/10, net 30

E. The buyer agrees to pay all of the freight charge of the lumber he/she purchased.

F. A sweater priced at $24.95, rather than $25.00

G. Pricing shoes within a product line at $15, $22, and $30.

H. Marketing a winter coat at a low price in June.

I. Pricing a Polo shirt compared to a generic knit shirt.

J. Getting $200 back from the manufacturer after purchasing a car.

K. Bottle rockets are priced at a low level on July 3rd with the anticipation that the consumer will also buy other fireworks.

L. Pricing pencils at 50 for $1.00 or 100 for $1.50

M. Two companies are charged the same transportation costs because they are both located within a specific region.

N. Price concessions received by a customer purchasing a new car and selling back their old one.

O. Two companies - one in Missouri and one in California - pay the same transportation cost to have merchandise shipped from Kansas.

MARKET PLANNING
ADVANCED MARKETING

TASK# F016: Identify the most widely adopted pricing policies.

KEY

1. F
2. I
3. B
4. K
5. G
6. D
7. L
8. C
9. H
10. N
11. A
12. J
13. E
14. O
15. M

MARKET PLANNING
ADVANCED MARKETING

TASK# F017: Set a pricing objective for a product/service.

Identify the pricing objective that would be best used for each example and explain why.

1. Kidville, a toy manufacturer, has invented a new product. The company is anxious to get the toy on the shelves and determine childrens' reactions.

2. The XYX Company needs to increase its sales volume by 15% in order to match the sales of the ABC Company, one of its competitors.

3. Fashion, Inc. markets swimsuits that are incredibly popular this summer. Customers are willing to buy them at any price.

4. The Pic Company manufactures cameras. It has priced them at $250 because that is the rate charged by Koduck, another camera manufacturer.

5. The Lite Company markets home lighting fixtures. It has decided not to offer a new line of lamps because they are not expected to make a big enough contribution to the company.

MARKET PLANNING
ADVANCED MARKETING

TASK# F017: Set a pricing objective for a product/service.

KEY

1. Sales Maximization
   Used to introduce new products in the market.

2. Target Market Share
   Market share refers to the portion of the market that buys a firm's products. It measures how a firm is doing in sales volume in relation to the competition.

3. Profit Maximization
   Companies try to make as much profit as they can considering the conditions of the market. The marketer will charge the highest price that customers are willing to pay.

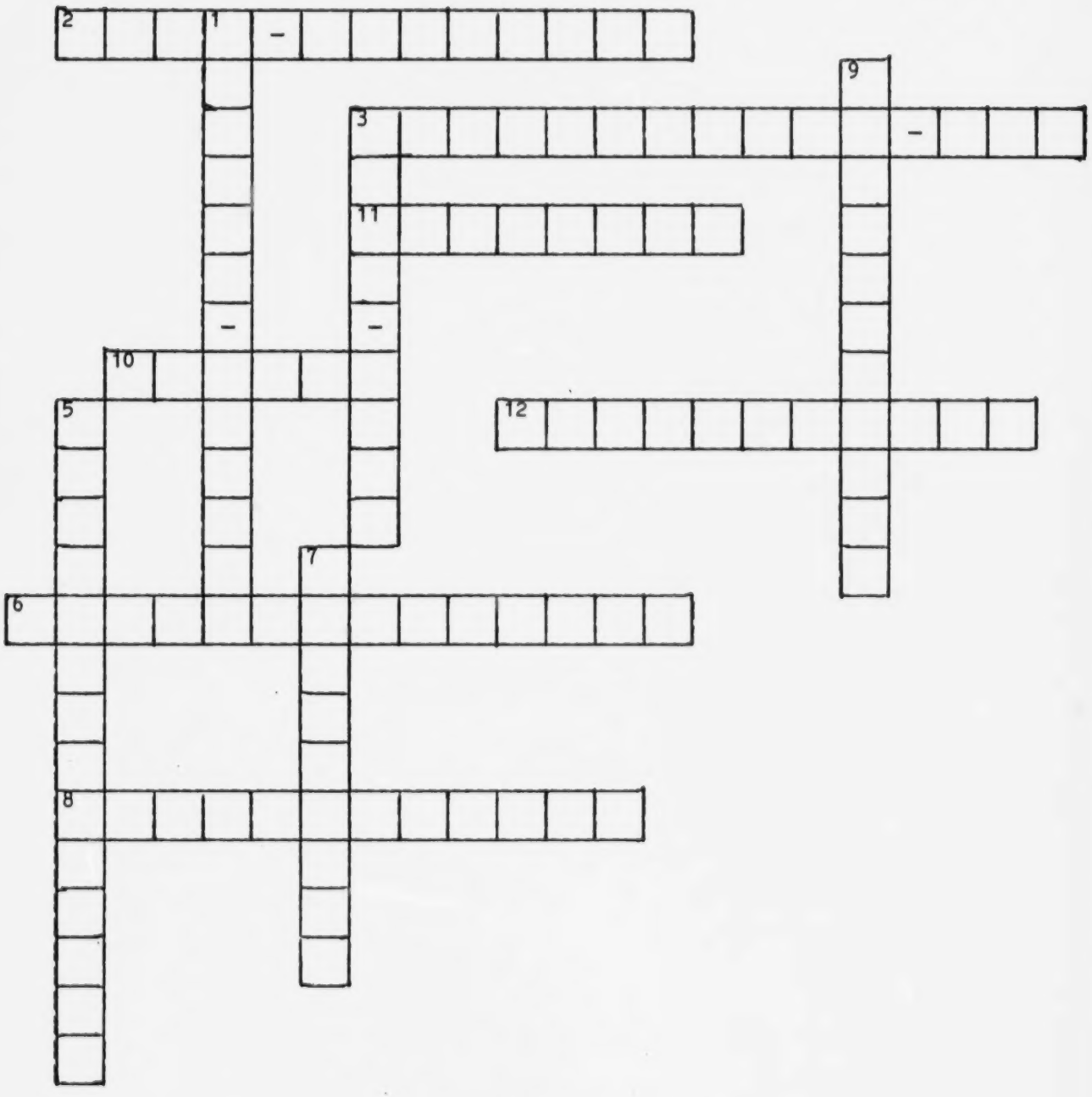
4. Pricing related to competition
   This type of pricing is common and very practical for many marketers. One strategy is to price your product to meet that of competitors in order to "stay in the running".

5. Target Return on Investment
   Marketers frequently establish a minimum rate of return on investment for each product that is offered.

MARKET PLANNING
ADVANCED MARKETING

TASK# F018: Identify the most widely used pricing strategies.

Pricing Strategies



MARKET PLANNING
ADVANCED MARKETING

TASK# F018: Identify the most widely used pricing strategies.

Down

1. A firm determines the price that will allow it to earn a desired rate on its costs at an estimated sales volume.

3. A technique used if the cost of producing a single unit of a product varies with the amount ordered.

5. A key factor is determining what the customer feels a product is worth.

7. Pricing frequently used by firms that lead the market and by firms that follow that lead. (2 words)

9. This type of pricing occurs when a firm introduces a new product at a relatively low price to attract a large number of consumers.

Across

2. All expenses incurred in manufacturing the merchandise, all service costs, and all overhead expenses are computed before the desired profit margin is added.

3. Frequently used by government agencies buying products or services.

6. Utilizes consumer desires and demands in setting individual prices. (2 words)

8. A demand approach used when a product is sold at two separate prices.

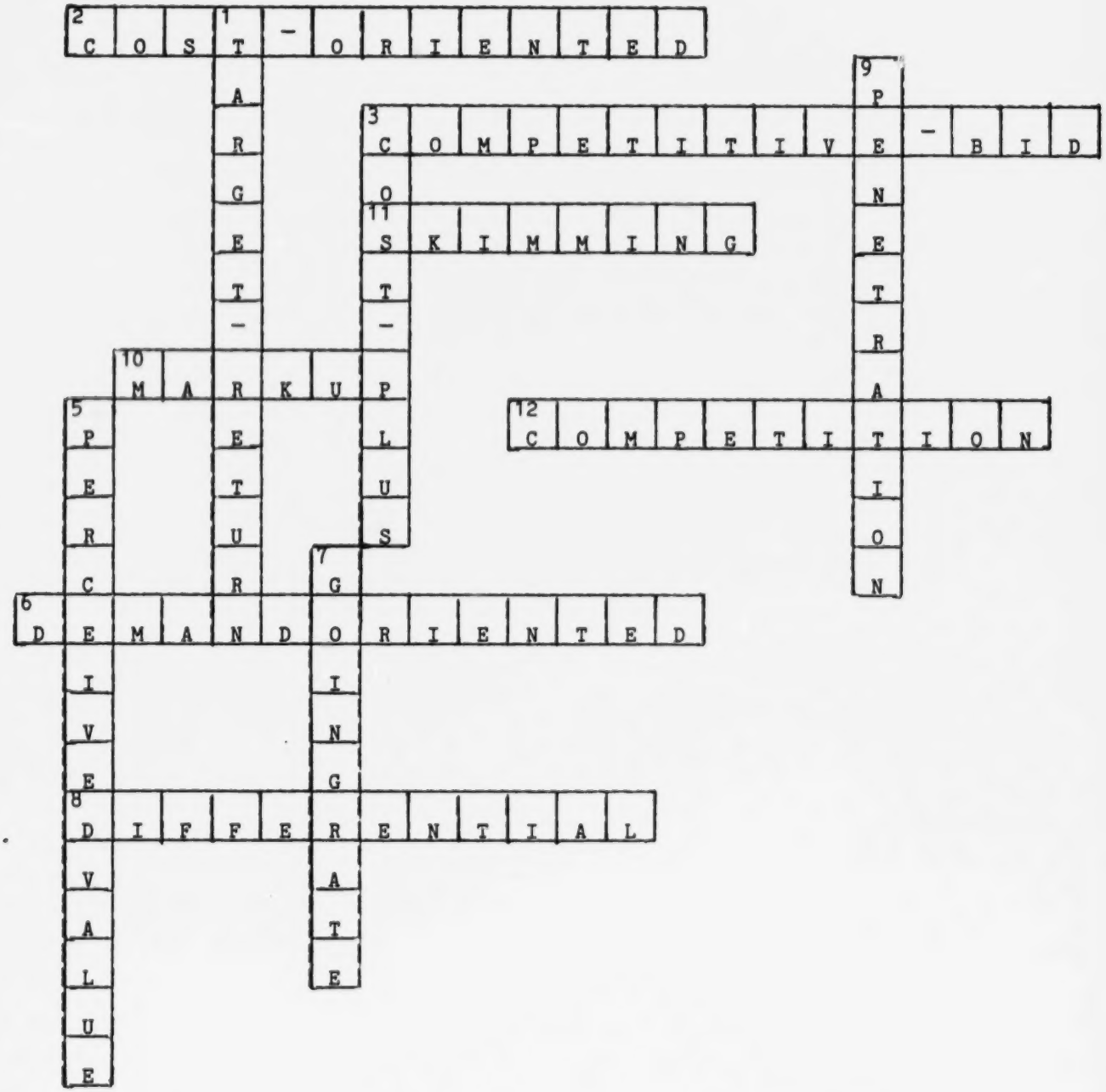
10. The simplest pricing technique.

12. A strategy that is oriented to making price changes without regard to changes in cost or demand.

MARKET PLANNING
ADVANCED MARKETING

TASK# F018: Identify the most widely used pricing strategies.

KEY



MARKET PLANNING
ADVANCED MARKETING

TASK# F019: Plan sales.

TASK# F020: Plan stock.

TASK# F021: Plan reductions.

TASK# F022: Plan purchases.

TASK# F023: Plan markup.

Assignment

The Buymoore Store is a local clothing retailer. The owner, Bobbi, is preparing a merchandise plan for the remainder of the year. Bobbi understands that the purpose of the plan is to secure a net profit for the business at the end of the year. Bobbi has asked you, the store buyer, to aid him/her in this five step process. Your input is critical.

Step 1: Plan Sales
You, as a buyer, know that there are several ways to estimate sales. Bobbi has asked you to list and describe three of these ways so that he/she can review them.

1. _____

2. _____

3. _____

Step 2: Plan Stock
Bobbi is now requesting information on determining the amount of stock required to meet the planned sales volume. As an expert on the subject, you feel it is necessary to explain to Bobbi the two main objectives of this step.

1. _____

_____

_____

2. _____

_____

_____

MARKET PLANNING
ADVANCED MARKETING

TASK# F019, F020, F021, F022, F023

Step 3: Plan Reductions
You need to help Bobbi with this phase of the process by providing him/her with the following:

1. Three types of reductions: _____ _____, _____, _____.

2. Two ways in which planning for markdowns adds to profits.

   a. _____

   _____

   b. _____

   _____

3. Four reasons for marking down merchandise.

   a. _____

   b. _____

   c. _____

   d. _____

Step 4: Plan Purchases
In order to continue the planning process, it is necessary for you to estimate purchases for June. Use the following information to calculate planned purchases.

- Your planned sales for June equal $13,000

- Your planned stock for June 1 is valued at $28,000, and the planned stock for July 1 is valued at $32,000

Step 5: Plan Markups
For the final phase of the merchandise planning process, calculate the cumulative markup percentage for the season using the following information.

Planned sales for the season	$60,000
Estimated expenses for the season	$15,000
Discounts to employees	$ 500
Desired net profit for the season	$ 5,000

MARKET PLANNING
ADVANCED MARKETING

TASK# F019: Plan sales.

TASK# F020: Plan stock.

TASK# F021: Plan reductions.

TASK# F022: Plan purchases.

TASK# F023: Plan markup.

KEY

Step 1: (20 pts.)
Possible ways of estimating sales

a. Past sales - By studying the sales of the preceding year(s), a buyer may get a good indication of future sales. This is a combination of good judgement and past experience.

b. Rate of increase or decrease in sales - The average rate for the past few years is often a helpful guide. If there has been an increase or decrease, the planned sales figures should reflect that trend. This is true considering that the reasons for the changes and the conditions that may affect future sales have been studied before adjustments are made in the plans.

c. General Business Conditions - To plan realistically, the buyer must be aware of general business conditions. When business is good, sales may increase or remain at the usual level. Sales frequently decline, however, when business conditions become unfavorable.

d. Competitive situations - Sometimes a change occurs in the competitive situation of a business, and this may influence a buyer's planned sales.

e. Fashion influences - Fashion trends may create an increase in sales for a particular item, but this is not an accurate measure in preparing merchandise plans.

f. Conditions in the store - Changes in the layout of a department, in the lines of merchandise, or in promotional plans may affect planned sales.

Step 2: (20 pts)

1. Maintain Adequate Assortments - A well-balanced selection of stock that will meet customer demands is an adequate assortment. It is necessary to determine merchandise breakdowns that are desired by customers, the quantity in each category that is required, and the amount of stock required each month.

2. Balance Stock & Sales - The number of times that the average amount of stock is sold during a given period is the rate of stock turnover. By using the rate of stock turnover in planning stocks, a buyer can determine the average stocks required to meet planned sales.

MARKET PLANNING
ADVANCED MARKETING

TASK# F019, F020, F021, F022, F023

Step 3: (30 pts.)

1. Markdowns, discounts for employees and selected customers, and inventory shortages.

2. Markdown adds to profits by:
   a. Enabling the buyer to take these reductions at an earlier, more favorable time
   b. Allowing the buyer to compensate for markdowns by computing desired markups in other areas.

3. Any four of the following:
   a. Buying goods that lack customer appeal
   b. Not being able to control or anticipate promotional efforts made by the store
   c. Competing with stores that offer lower prices
   d. Facing a general decline in prices
   e. Changing the price lines usually carried
   f. Finding soiled or damaged goods
   g. Buying "fad" merchandise

Step 4: (15 pts.)

Planned Purchases = Planned sales and increase in the dollar level of planned stock between the beginning of each of the two months.

Planned Purchases = \$13,000 + \$5,000 = \$18,000

Step 5: (15 pts.)

$$\text{Markup \%} = \frac{\text{expenses + profits + reductions}}{\text{sales + reductions}}$$

$$= \frac{\$15,000 + \$5,000 + \$2,500}{\$60,000 + \$2,500}$$

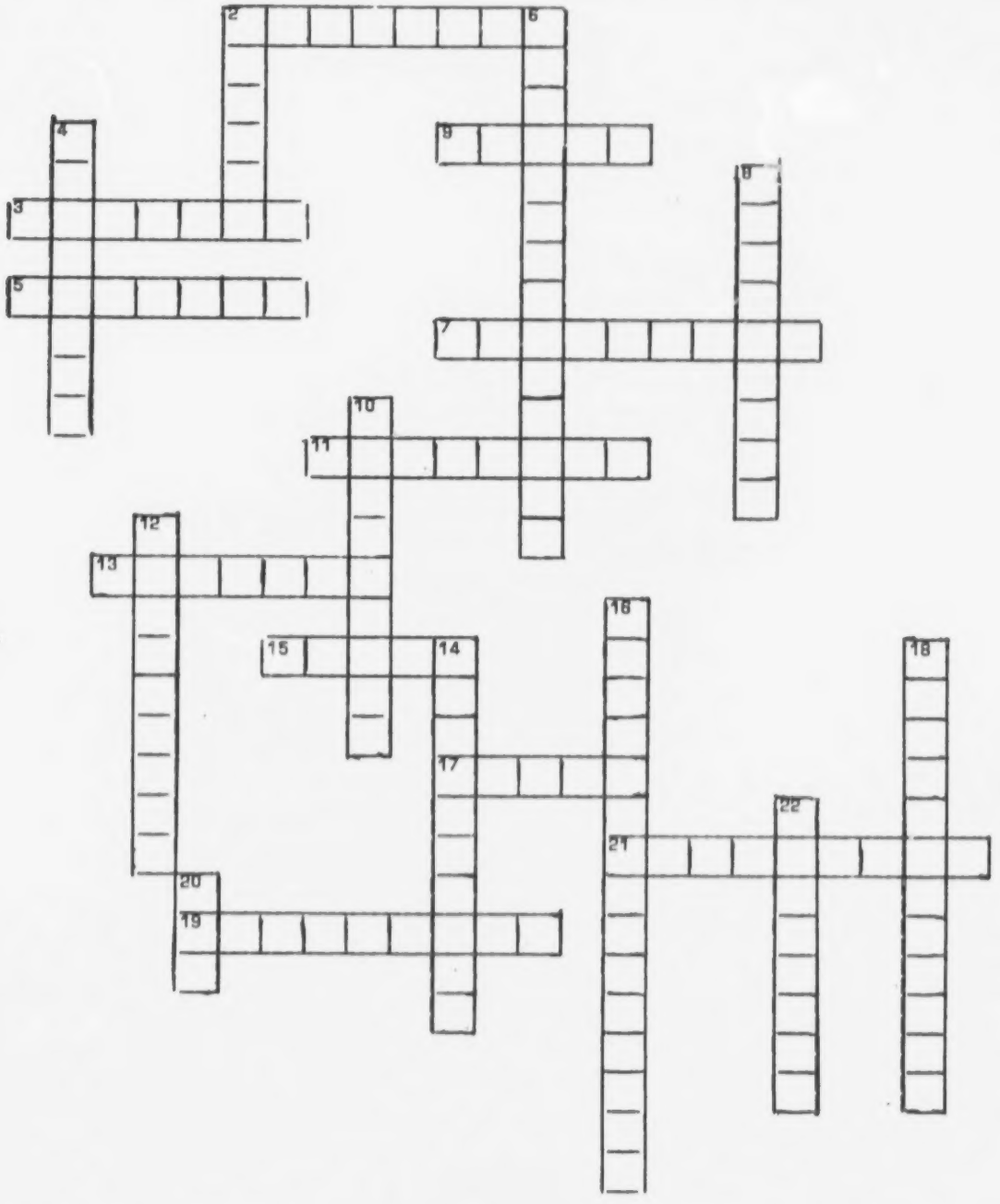
$$= 36\%$$

PHYSICAL DISTRIBUTION
ADVANCED MARKETING

TASK# G001: Identify the ways to ship merchandise.

TASK# G002: Compare ways to ship merchandise in terms of cost and suitability.

Transportation



PHYSICAL DISTRIBUTION
ADVANCED MARKETING

TASK# G001, G002

Across

2. A carrier that is certified to transport items according to an agreement between the carrier and the shipper.
3. The transportation mode that ranks first in speed.
5. A carrier that is owned and operated, or is leased equipment, and is restricted to an individual firm.
7. The mode that provides the cheapest form of transportation, but also the slowest.
9. A form of water transportation that provides freight transportation on assigned routes on a scheduled basis.
11. Transports a single product moving in one direction.
13. A very effective form of transportation for medium and short hauls.
15. A form of water transportation that provides freight transportation on a contractual basis.
17. A railway transportation rate that is based upon the nature of items being shipped, weight, and distance.
19. A railway transportation rate that is used for bulky products such as grain, iron ore, lumber, and coal.
21. A specialized marketing firm designed to assist firms that ship in quantities less than a carload or truckload.

Down

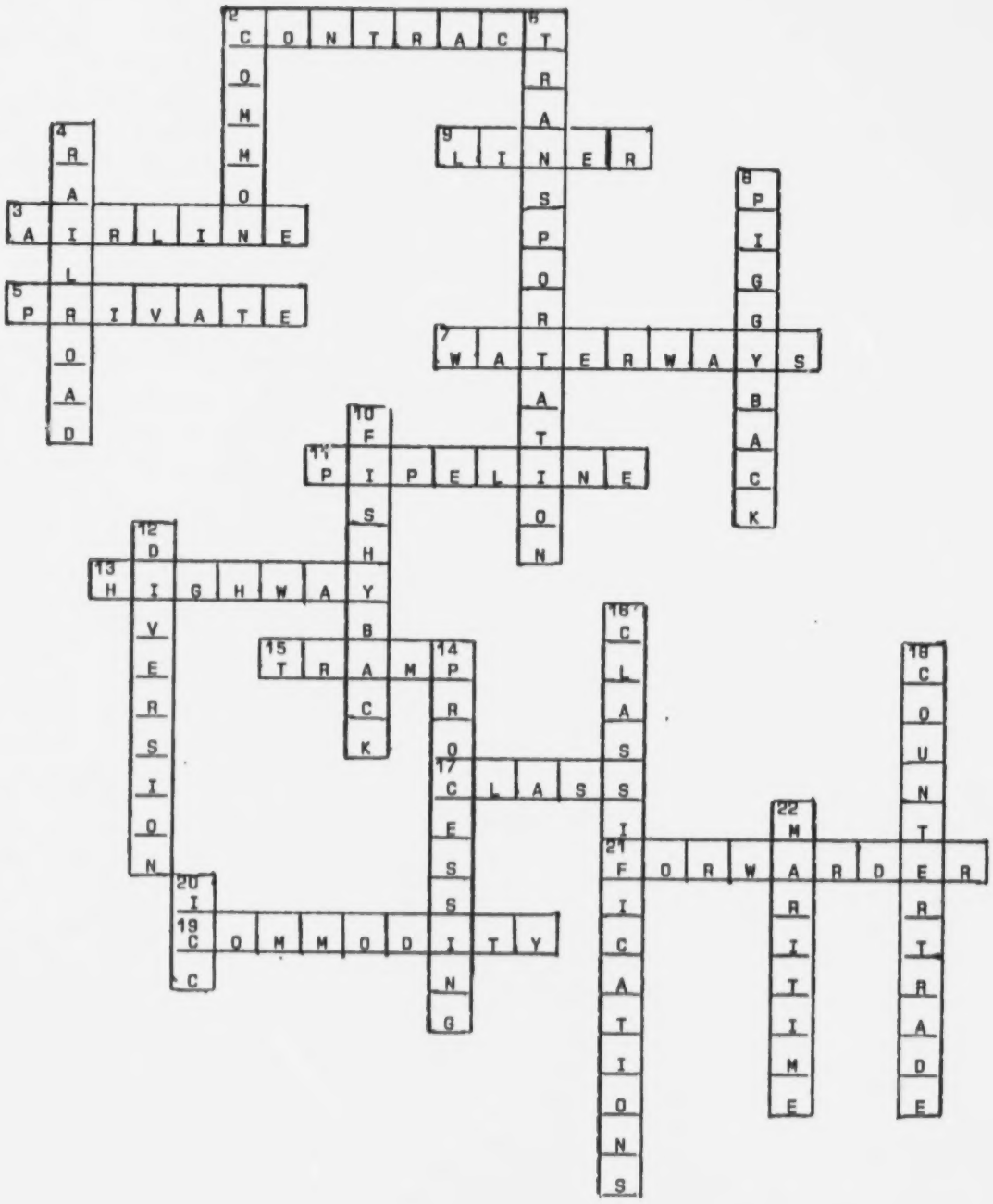
2. A carrier that provides services to any firm for a fee.
4. The mode of transportation that is usually less expensive, especially if you're shipping in large quantities.
6. The largest single item in the overall cost of physical distribution.
8. Truck trailers loaded with goods that are placed on railroad flatcars.
10. Truck trailers loaded with goods that are placed on cargo ships or barges.
12. An in-transit privilege offered by railroads that permits the shipper to start the products in one general direction and later establish or change destinations.
14. An in-transit privilege offered by railroads that permits a shipper to have the products unloaded, graded, or manufactured and shipped on to the final destination.
16. The U.S. Department of Transportation has separated carriers according to their operating rights, into transportation _____.
18. An agreement in which one country agrees to buy from another country if reciprocal buying occurs.
20. The regulator of all carriers involved in interstate commerce (abbr.).
22. The U.S. Commission that regulates water transportation.

PHYSICAL DISTRIBUTION
ADVANCED MARKETING

TASK# G001, G002

KEY

Transportation



PHYSICAL DISTRIBUTION
ADVANCED MARKETING

TASK# G003: Trace shipments of merchandise.

TASK# G004: Return damaged merchandise to shipper.

Assignment

You are a sales clerk at Crazy Glue, a craft supplies store. Mr. Hobby is a regular customer for whom you special order a lot of craft items.

One afternoon when you are working alone, Mr. Hobby comes to the store very upset. He is holding a wing to a model airplane that has a crack in it. Mr. Hobby explains that the piece was in that condition when he opened the box. Also, a special Model-T kit that he ordered a month ago has never come in. You remember ordering the kit from Model Mania, which always sends merchandise to your store by WHEELS, an interstate trucking company.

Mr. Hobby spends a considerable amount of money at Crazy Glue and you definitely want to handle his complaints. You're on your own. What are the steps involved in the process of solving each problem?

PHYSICAL DISTRIBUTION
ADVANCED MARKETING

TASK# G003: Trace shipments of merchandise.

TASK# G004: Return damaged merchandise to shipper.

KEY

Answers will vary but should be similar to the following.

1. When shipments are not received:
   - Fill out a tracer form
   - Check with WHEELS' tracing department
   - WHEELS will notify Model Mania as to the reason for the delay, who will in turn contact Crazy Glue.

2. Damaged shipments:
   - Examine the merchandise for damage
   - Fill out a damage report explaining damage and cause(s) (ex: faulty manufacturing, shipping damage, in-store damage, or customer carelessness).
   - Obtain manager's signature of approval on report
   - Fill out damage ticket to accompany merchandise
   - Get customer's name and address on damage ticket
   - Write an inventory transfer form
   - Complete bill of lading

SALES PROMOTION
ADVANCED MARKETING

TASK# H001: Plan and develop seasonal and storewide themes.

TASK# H002: Select products for promotion that are seasonal and timely.

Assignment

Retailers should take advantage of every opportunity to tie their store to a theme. Themes attract customers and get them into the store.

You are the manager of Cheapville, a local discount store. You just received a memo from the owner of the company telling you to submit to him/her a theme for each season that would appeal to consumers. Along with it, the owner wants a list of five products that will be featured under each theme. (Example: Fun in the sun; sunglasses).

Include this information in a 1-2 page report that fully explains why you think each theme will be appealing, as well as the products associated with it.

SALES PROMOTION
ADVANCED MARKETING

TASK# H001: Plan and develop seasonal and storewide themes.

TASK# H002: Select products for promotion that are seasonal and timely.

KEY Assessment Instrument

The student:	YES	NO
1. developed four themes.	_____	_____
2. included five products for each theme.	_____	_____
3. was creative.	_____	_____
4. provided a 1-2 page report.	_____	_____
5. used correct grammar and spelling.	_____	_____
6. explained the purpose of each theme.	_____	_____

SALES PROMOTION
ADVANCED MARKETING

TASK# H003: Check advertising and displays for adherence to store promotional policies.

Stores generally have promotional policies that must be followed. Obtain these policies from a store in your community. Compare the policies to the advertising and displays the store uses.

In a 1-2 page report, provide a description of two displays and two advertisements the store is using. Explain how these relate to the store's promotional policies.

SALES PROMOTION
ADVANCED MARKETING

TASK# H003: Check advertising and displays for adherence to store promotional policies.

KEY Assessment Instrument.

The student:	YES	NO
1. obtained a store's policies.	_____	_____
2. provided a 1-2 page report.	_____	_____
3. described two store displays.	_____	_____
4. included two store advertisements.	_____	_____
5. analyzed how the displays and advertisements related to the policies.	_____	_____
6. used correct grammar and spelling.	_____	_____

SALES PROMOTION
ADVANCED MARKETING

TASK# H004: Obtain and use current product information necessary for effective and timely promotional activities.

Assignment

Keeping up-to-date on product information is necessary to have timely promotional activities. Find current information concerning a product through an article or by looking in a retail establishment for a product that has recently changed in some way.

Using the information gathered, develop a promotional activity that makes use of this information. Include all of this in a one-page report, along with your reasons why the promotion would be effective.

SALES PROMOTION
ADVANCED MARKETING

TASK# H004: Obtain and use current product information necessary for effective and timely promotional activities.

KEY

The student:	YES	NO
1. discovered current product information.	_____	_____
2. related the information to a possible promotion.	_____	_____
3. analyzed the reasoning for the promotion.	_____	_____
4. included the information in a one-page report.	_____	_____
5. used correct grammar and spelling.	_____	_____

SALES PROMOTION
ADVANCED MARKETING

TASK# H005: Check advertising copy for omissions, additions, and corrections.

Exercise

Advertisements are an effective way to attract customers to a business - if they are done right. Read the following ad and circle any misspelled words. Then below, explain how the copy can be improved, including items to delete and add. Using your suggestions rewrite the copy.

GRAND OPENIG OF BUD'S PLACE

If you enjoy good, old-fashoined cooking, you will want to visite us. We offer every meet from catfish to roast beaf. Our vegetables consist of corn, green beans, lima beans, baked beans, pees, stewed tomatoes, mashed potatoes, baked potatoes, and much, much more.

We serve a grate meal at a reasonable price. You will leeve thinging, "That's just like Mama used to make".

Call now for researvations, or just come on in.

SALES PROMOTION
ADVANCED MARKETING

TASK# H005: Check advertising copy for omissions, additions, and corrections.

KEY

GRAND OPENIG OF BUD'S PLACE

If you enjoy good, old-fashoined cooking, you will want to visite us. We offer every meef from catfish to roast beaf. Our vegetables consist of corn, green beans, lima beans, baked beans, pees, stewed tomatoes, mashed potatoes, baked potatoes, and much, much more.

We serve a grate meal at a reasonable price. You will leeve thinging, "That's just like Mama used to make".

Call now for researvations, or just come on in.

Suggestions:

- Menu line is too wordy and should be condensed, such as: we offer a wide selection of vegetables.
- Include a telephone number to call for reservations.
- Include the address of Bud's Place.

SALES PROMOTION
ADVANCED MARKETING

TASK# H006: Check available quantities of advertised product before a promotion breaks.

TASK# H009: Allocate promotional space for an item based on its sales volume.

TASK# H014: Coordinate national or chain advertising with local business promotions.

Exercise

You are the promotions manager at Dudley's Discount Village. You have just received a list of items that manufacturers are advertising in June. You know that it is important to coordinate your promotional activities with that of national advertising. Your problem is that you only have enough promotional space for two items a week. You need to review each week's possible promotional items and choose the two that would be most effective and explain why.

Once you have decided upon your weekly promotional products, compare the projected sales for the product with your current inventory level to determine if it is necessary to order any items before the promotion begins. If so, state how many units of each are needed.

Promotional Items for June

Week 1	Products	Projected Unit Sales
	cake mix	450
	bleach	525
	nail polish	425
	sunglasses	400

Week 2	Products	Projected Unit Sales
	oil filters	325
	garden hose	275
	laundry detergent	350
	allergy medicine	300

Week 3	Products	Projected Unit Sales
	lawn fertilizer	325
	air mattresses	375
	fishing rods	350
	electric fans	275

Week 4	Products	Projected Unit Sales
	pantyhose	350
	potato chips	425
	paper plates	320
	razors	415

SALES PROMOTION
ADVANCED MARKETING

TASK# H006: Check available quantities of advertised product before a promotion breaks.

TASK# H009: Allocate promotional space for an item based on its sales volume.

TASK# H014: Coordinate national or chain advertising with local business promotions.

INVENTORY SHEET

Product	Current Level (Units)
Air mattresses	380
Allergy medicine	175
Bleach	325
Cake mix	320
Electric fans	160
Fishing rods	310
Garden hose	200
Laundry detergent	190
Lawn fertilizer	245
Nail polish	330
Oil filters	270
Pantyhose	295
Paper plates	255
Potato chips	220
Razors	335
Sunglasses	315

SALES PROMOTION
ADVANCED MARKETING

TASK# H006: Check available quantities of advertised product before a promotion breaks.

TASK# H009: Allocate promotional space for an item based on its sales volume.

TASK# H014: Coordinate national or chain advertising with local business promotions.

KEY

	Promotional Items	Quantity Ordered
Week 1	Bleach (525)	200
	Cake mix (450)	130
Week 2		
	Laundry detergent (350)	160
	Oil filters (325)	55
Week 3		
	Air mattresses (375)	0
	Fishing rods (350)	40
Week 4		
	Potato chips (425)	205
	Razors (415)	80

All promotional items are chosen based upon their projected unit sales figures.

SALES PROMOTION
ADVANCED MARKETING

TASK# H007: Select the most effective locations within the business to place displays.

TASK# H008: Plan display changes to maintain customer interest.

The good old summertime is just around the corner. You are the promotions manager at Cheapzie's Discount Store and it's very important that you plan visual displays that are timely and seasonal. After reviewing your inventory, you realize that you now have an overabundance of suntan lotion, sunglasses, and electric fans from the previous year. It is necessary to get this merchandise moving because more shipments will be coming in.

1. Determine three prime locations within the store to display each product and explain why they are effective locations.

2. To maintain customer interest, you plan on changing these displays in two weeks. Now you need to determine three other products that will be "Hot" items for the season.

SALES PROMOTION
ADVANCED MARKETING

TASK# H007: Select the most effective locations within the business to place displays.

TASK# H008: Plan display changes to maintain customer interest.

KEY

1. Answers may vary but could include:
   - At the end of an aisle
   - Near the cash registers
   - Along main thoroughfares
   - Near the entrance of the store

2. Answers will vary but should include summer products, i.e., beach towels, lawn chairs, insecticide, etc.

SALES PROMOTION
ADVANCED MARKETING

TASK# H010: Determine when to dismantle and replace major displays.

TASK# H011: Coordinate promotional activities with local activities or seasonal displays.

TASK# H012: Schedule displays of products at the same time they are being advertised.

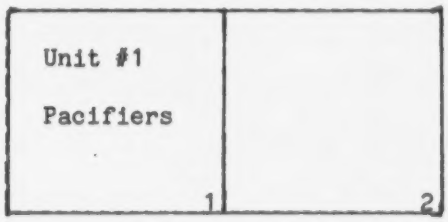
TASK# H013: Inform personnel of the schedule of company sales promotion activities.

Assignment

Planning promotional displays are an important function. To be effective, they should coordinate with other activities of the business or area. You are responsible for three display units at Lazy Daze Discount Department Store. Do the following:

1. Read the memo you received from Mr./Ms. Picky, CEO

2. Complete the calendar as follows:
   a. indicate the days you will set up (change) each display - remember you have three display units, that are already full from last month
   b. indicate the display you are using (either 1, 2, or 3)
   c. indicate the specific product that will be featured in the display
   Example: (DO NOT USE)



3. In groups of 3-5, discuss and analyze your promotional plan.

SALES PROMOTION
ADVANCED MARKETING

TASK# H010: Determine when to dismantle and replace major displays.

TASK# H011: Coordinate promotional activities with local activities or seasonal events.

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TASK# H013: Inform personnel of the schedule of company sales promotion activities.

MEMO

To: Mr./Ms. You, Visual Display Manager

From: Mr./Ms. Picky, CEO

It is now time to figure out our Display Calendar for August. Attached is a schedule of the planned activities, promotions, and community events. Please plan your calendar accordingly.

Advertising and Promotions Schedule

Aug 1 - Advertise Baby Products

Aug 3 - Hardware Sale

Aug 5 - Promote the County Fair

Aug 8 - Advertise Footwear

Aug 10 - Advertise Automotive Products

Aug 12 - Electronics Sale

Aug 15 - Back to School Sale

Aug 17 - Kitchen Utensil Sale

Aug 19 - Advertise Health and Beauty Care Products

Aug 22 - Advertise Pet Care Products

Aug 24 - Sporting Goods Sale

Aug 26 - Promote Community Craft Show

Aug 29 - Advertise Jewelry

Aug 31 - Picture Frames Sale

SALES PROMOTION
ADVANCED MARKETING

TASK# H010: Determine when to dismantle and replace major displays.

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TASK# H013: Inform personnel of the schedule of company sales promotion activities.

August 19__

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SALES PROMOTION
ADVANCED MARKETING

TASK# H010: Determine when to dismantle and replace major displays.

TASK# H011: Coordinate promotional activities with local activities or seasonal events.

TASK# H012: Schedule displays of products at the same time they are being advertised.

TASK# H013: Inform personnel of the schedule of company sales promotion activities.

KEY Possible Schedule

August 19__

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Unit 1 Any baby product 1		Unit 2 Any hardware product 3		Unit 3 Any product that relates to the fair (ex: Cracker Jacks) 5	
7	Unit 1 Any footwear product 8		Unit 2 Any automotive product 10	11	Unit 3 Any electronic product 12	13
14	Unit 1 Any item associated with back to school 15		Unit 2 Any kitchen utensil 17		Unit 3 Any health or beauty product 19	20
21	Unit 1 Any pet care product 22		Unit 2 Any sporting goods 24		Unit 3 Any item relating to the craft show 26	27
	Unit 1 Any item of jewelry 29		Unit 2 Picture frames 116 31			

SELLING
ADVANCED MARKETING

TASK# I001: Determine the importance of making an appointment in advance and being on time.

Essay or discussion question:

You are a sales representative for XYZ computer company. You have the opportunity to call on Dweeble Corporation to make a sales presentation.

It is your practice to call and make an appointment in advance. One of the reasons for calling in advance is to ask questions that will help "qualify" the prospect as a potential customer.

What qualifying factors will you use to increase the chance for success?

SELLING
ADVANCED MARKETING

TASK# I001: Determine the importance of making an appointment in advance and being on time.

KEY

The sales representative considers the following factors when qualifying a customer:

- The product or service offered fills the customer's needs.
- The person you plan to meet with has the authority to buy or make the final decision.
- The decision maker is accessible.
- The customer's financial ability to pay for the product or service.
- Does the customer have a neutral or positive opinion of one or more of the following:
  - the product
  - the service offered
  - the salesperson
  - the firm offering the product

SELLING
ADVANCED MARKETING

TASK# I002: Deal with the prospective customer's secretary or family member in a professional manner.

Role play:

You are a sales representative for Thomas Jefferson Mutual Insurance Company. You sell group insurance policies to firms in the Northeast territory - Maine, Vermont, New Hampshire and New York.

Your job is to make sales presentations to the Employee Benefits manager of each firm. It is always your practice to make an appointment in advance. Quite often you arrive 10 to 15 minutes early for your appointments and have the opportunity to talk with the manager's secretary.

In a role play situation, greet the secretary at his/her desk and engage in a 1 to 3 minute conversation. You should speak in a friendly, but professional manner.

SELLING
ADVANCED MARKETING

TASK# I002: Deal with the prospective customer's secretary or family member in a professional manner.

KEY

Assessment Instrument

The student:	YES	NO
1. used a friendly greeting.	_____	_____
2. stated their name.	_____	_____
3. stated the name of the person with whom they have an appointment.	_____	_____
4. stated the time they are scheduled to meet.	_____	_____
5. stated the purpose of the call.	_____	_____
6. engaged in a brief, conversation in order to establish a friendly relationship.	_____	_____
7. asked for the secretary's help or support.	_____	_____

SELLING
ADVANCED MARKETING

TASK# I003: Announce the purpose for the call immediately to the prospective customer.

Telephone Role Play:

You are a sales representative for a plant nursery, Green Stuff, Inc. Your job is to sell live bedding plants and shrubs to lawn and garden shops in the Mid-west.

It is your practice to call and make sales appointments in advance. In a role play situation, call the manager of Beauti Lawn Shop, a full-line lawn and garden supply store. Ask him/her for an appointment so you may show the line of products Green Stuff, Inc. sells.

SELLING
ADVANCED MARKETING

TASK# I003: Announce the purpose for the call immediately to the prospective customer.

KEY

Assessment Instrument

The student:	YES	NO
1. spoke clearly.	____	____
2. sounded friendly, yet professional.	____	____
3. stated his/her name.	____	____
4. stated the name of his/her company.	____	____
5. announced the purpose of the call.	____	____
6. asked for an appointment.	____	____
7. repeated all important names and dates to verify understanding.	____	____
8. wrote down important names and dates.	____	____
9. thanked them for their time and help.	____	____

SELLING
ADVANCED MARKETING

TASK# I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

TASK# I007: Plan daily activities to ensure that all duties are performed.

TASK# I010: Plan sales routes and transportation modes which keep traveling time to a minimum.

TASK# I011: Make productive use of waiting time.

TASK# I012: Use special techniques which increase the selling time.

DAILY PLAN:

You are a sales representative for Shaker Oats cereal company. Your territory includes all grocery store in mid-Missouri.

Today is going to be a very busy day so you must plan very carefully. Listed below is all the information you will need to plan today's schedule. Following the information below, is a page from your daily planning calendar. Use this to schedule all sales calls, meetings, appointments and paper work. Try to schedule as many sales calls as possible. Use the space under the "To Be Done" section to indicate how you will make productive use of waiting time.

Meetings and Appointments:

8:30 a.m. - breakfast with sales manager in Jefferson City

9:30 a.m.-2:00 p.m. - sales calls (approximately 30 minutes each), see map for locations and travel times.

2:00 p.m. - monthly district meeting in Columbia

3:30-5:00 p.m. - sales calls

6:30-9:00 p.m. - dinner with friends in Ashland

Additional Comments:

- It will take about one hour to complete all paper work every day
- You take 30 minutes for lunch
- You live in Ashland (see map)
- Bring last month's reports to district meeting
- Bring daily sales call sheet to breakfast meeting.

SELLING
ADVANCED MARKETING

TASK# I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

TASK# I007: Plan daily activities to ensure that all duties are performed.

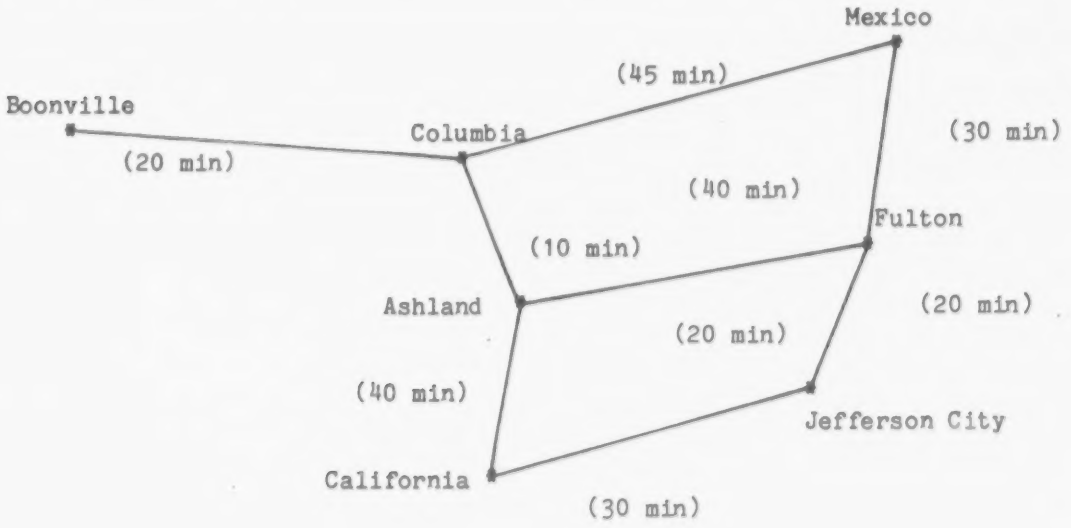
TASK# I010: Plan sales routes and transportation modes which keep traveling time to a minimum.

TASK# I011: Make productive use of waiting time.

TASK# I012: Use special techniques which increase the selling time.

MAP:

(xx) = driving time between connecting cities



Grocery Stores (location):

- Young's Super Market (Columbia)
- Miller's Market (Boonville)
- Smith's Stop and Shop (Mexico)
- J & J Grocery Store (Jefferson City)
- JB Food Store (California)
- Beville's Edibles (Fulton)
- GG's Grand Mart (Columbia)
- Clark's Quick Stop (Ashland)

SELLING

ADVANCED MARKETING

TASK# I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

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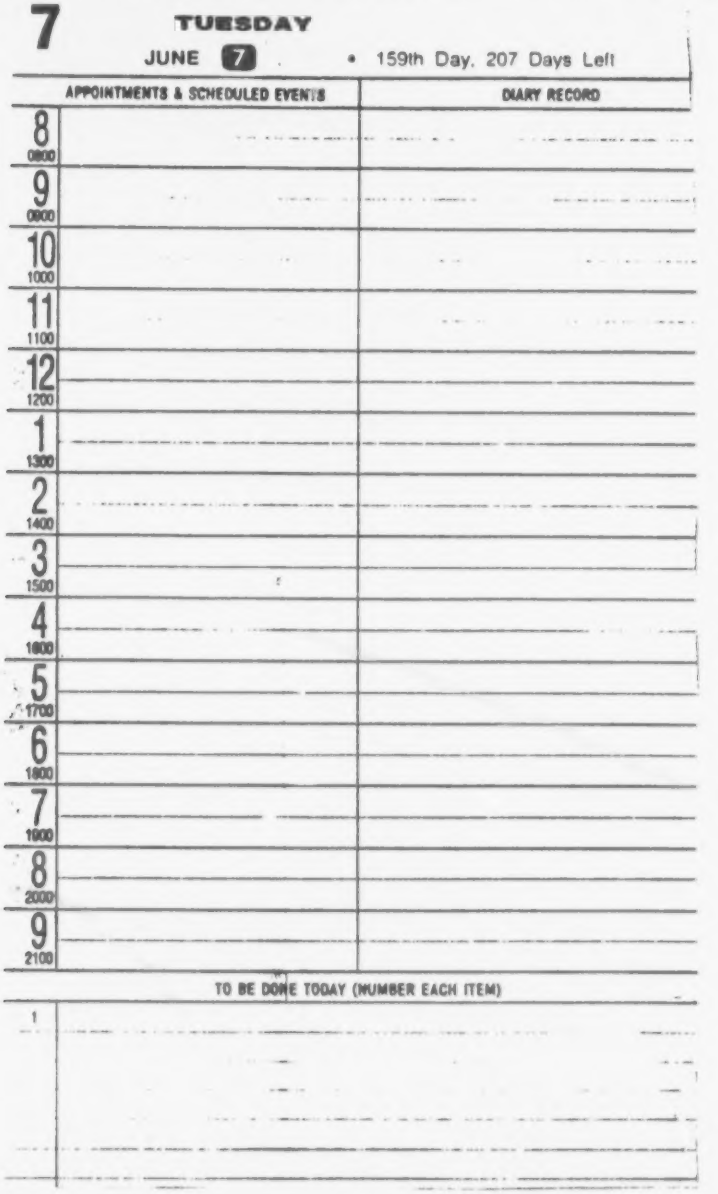
DAILY PLANNER



SELLING

ADVANCED MARKETING

TASK# I004: Determine the importance of planning in advance what section of sales territory will be covered in a given day.

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TASK# I010: Plan sales routes and transportation modes which keep traveling time to a minimum.

TASK# I011: Make productive use of waiting time.

TASK# I012: Use special techniques which increase the selling time.

KEY

Possible Schedule

7 TUESDAY

JUNE 7 • 159th Day, 207 Days Left

	APPOINTMENTS & SCHEDULED EVENTS	DIARY RECORD
8 0900	Drive to Jeff City Breakfast- Jeff City	bring sales call sheet
9 0900	J & J in Jeff City	
10 1000	Drive to Fulton Beville's in Fulton	
11 1100	Drive to Mexico Smith's in Mexico	
12 1200	Lunch in Mexico Drive to Columbia	
1 1300	(15 minute wait time) Young's in Columbia	
2 1400	District Meeting in Columbia	-bring reports for last month
3 1500	GG's in Columbia	
4 1600	Drive to Boonville Miller's in Boonville	
5 1700	Drive home - Ashland complete unfinished	paper work
6 1800	Dinner with friends - Ashland	
7 1900		
8 2000		
9 2100	Home	

TO BE DONE TODAY (NUMBER EACH ITEM)

1 Waiting time should be used to complete sales call reports for previously made calls

SELLING
ADVANCED MARKETING

TASK# I005: Determine the importance of preparing and organizing sales aids.

Essay question:

List four examples of sales aids. Identify four advantages of using sales aids in a product/service presentation.

SELLING
ADVANCED MARKETING

TASK# I005: Determine the importance of preparing and organizing sales aids.

KEY

Brochures
Pamphlets
The actual project
Swatches or samples
Videotape
Slide show
Product manual
Audiotape
Testimonials
Flip charts
Posterboards

Advantages:
1. Helps the customer visualize using the product.
2. Stimulates customer interest.
3. Gains attention.
4. Helps the customer understand the operation of the product/service.
5. Helps present the features and benefits.

SELLING
ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

Design a record keeping system.

You are sales manager for an office equipment supply company. Your staff of salespeople call on local businesses.

You know that being a successful salesperson is partially dependent on a good record keeping system. The company requires your sales staff to keep the following information:

- firm's name
- firm's address
- firm's phone number
- type of business the firm is engaged in
- contact person/people
- each contact person's job title
- personal data on each contact person, (i.e., interests, education, spouse's name, etc.)
- remarks about each contact person, (i.e., likes/dislikes, decision making power, etc.)
- date, purpose, details and results of each sales call
- purchase records
- service records
- credit records
- prospect records

In the past the sales people have designed their own record keeping systems. You find it difficult to understand everyone's records so you have decided to design a new system for all to use. You believe this will make it much easier for you to review records and follow-up when records are incomplete.

Design three record keeping forms to be used by the sales staff. One form will be designed to keep track of prospects. The purpose of form two is to keep records of all buying customers. The third form will be a summary of daily calls.

Remember, your salespeople don't have time to write lengthy reports. Make the forms straightforward and easy to complete, but include all the information required by the company.

SELLING

ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

KEY

The forms will vary, but should include all the information shown and be easy to use.

FORM 1

PROSPECT SHEET

Firm Name:_____

Address:_____

_____

Phone No._____

Type of Business:_____

Contact Person(s):_____

_____

Referred By:_____

Qualifying Remarks:_____

_____

_____

Date Contacted:_____

Response:_____

_____

_____

Comments:

SELLING
ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

FORM 2

CUSTOMER SHEET

FIRM Name:_____

Address:_____

_____

Phone No.:_____

Type of Business:_____

CONTACTS:

1. Name:_____Title:_____

Personal Data:_____

_____

Remarks:

2. Name:_____Title:_____

Personal Data:_____

_____

Remarks:

3. Name:_____Title:_____

Personal Data:_____

_____

Remarks:

SELLING
ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

(Customer Sheet continued) FORM 2

Page 2

CUSTOMER SHEET

CREDIT RECORDS/HISTORY:

SALES CALL RECORD:
Date:_____ Purpose:_____

Results:_____

COMMENTS:

Date:_____ Purpose:_____

Results:_____

COMMENTS:

Date:_____ Purpose:_____

Results:_____

COMMENTS:

Date:_____ Purpose:_____

Results:_____

COMMENTS:

SELLING
ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

(Customer Sheet continued) FORM 2

Page 3

CUSTOMER SHEET

Purchase History

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

Service Record:

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

Date:_____ Product(s):_____

_____

SELLING
ADVANCED MARKETING

TASK# I006: Determine the importance of keeping customer records.

TASK# I008: Maintain accurate, up-to-date customer, prospect, daily work and summary records.

FORM 3

DAILY CALL SHEET

Salesperson:_____ Date:_____

FIRM NAME	CONTACT PERSON	PHONE or VISIT	PROSPECT or CURRENT ACCT	OUTCOME

SELLING

ADVANCED MARKETING

TASK# I009: Set sales goals or quotas.

Worksheet:

The sales manager for ACME Industrial Products has asked you to calculate annual sales quotas (goals) for the staff. It is ACME's practice to base quotas on the average of the three previous years' sales figures plus 10%. Once this figure is calculated for each salesperson the sales manager will adjust the goals after considering the following:

- The past sales record for the territory
- The number of actual or potential customers in the territory
- The demand for the product
- The amount of competition
- The general economic trends expected.

Calculate the preliminary sales quotas for the following salespeople. Round the answer to the nearest 1000.

Salesperson	JILL	BILL	DAWN	RON	KIM	TIM
Last Year	$201,000	$275,000	$305,000	$330,000	$433,000	$197,000
2 Years Ago	$156,000	$196,000	$251,000	$335,000	$367,000	-0-
3 Years Ago	$121,000	-0-	$223,000	$284,000	$273,000	$246,000

SELLING
ADVANCED MARKETING

TASK# I009: Set sales goals or quotas.

KEY

Salesperson	JILL	BILL	DAWN	RON	KIM	TIM
Average	$160,000	$235,000	$259,666	$316,333	$357,666	$246,000
+ 10%	16,000	23,500	25,966	31,633	35,766	24,600
Quota	$176,000	$258,500	$285,632	$347,966	$393,433	$270,600
Rounded No.	$176,000	$259,000	$286,000	$348,000	$393,000	$271,000

SELLING
ADVANCED MARKETING

TASK# I013: Evaluate performance in terms of goals and customers' satisfaction.

Essay question:

It is very important for a salesperson to evaluate his/her performance on a regular basis. List four ways an evaluation may be conducted. Briefly explain how each method is conducted and the limitations of each. (12 pts.)

SELLING
ADVANCED MARKETING

TASK# I013: Evaluate performance in terms of goals and customers' satisfaction.

KEY

1. Compare actual sales for a certain period to the pre-established quota or goal. (1 pt.)

   - This method gives an indication of sales performance compared to the company's expectations. (1 pt.)

   - It's accuracy is limited by the fact that there are uncontrollable elements affecting sales, such as the economy, competition, product availability. (1 pt.)

2. Self-evaluation (1 pt.)

   - This method can be used to assess all steps within the selling process. It can and should be conducted on a regular basis. (1 pt.)

   - It is limited by the honesty and self-understanding of the individual. It can be difficult to honestly assess your own performance. (1 pt.)

3. Performance appraisal by supervisor. (1 pt.)

   - This method is usually conducted formally on an annual or semi-annual basis. Feedback given regularly is a less formal method. Useful in gaining the supervisor's opinion and improving techniques. (1 pt.)

   - It is of limited use because most supervisors are not directly involved in sales interactions so they don't see everything. (1 pt.)

4. Feedback from customers (1 pt.)

   - Repeat business and customer complaints are both forms of customer feedback. (1 pt.)

   - Specific details are usually not provided, just general indications of success or failure. (1 pt.)

SELLING
ADVANCED MARKETING

TASK# I014: Gain audience's attention with a strong opening remark.

TASK# I015: Make a smooth, natural and interesting sales presentation.

TASK# I016: Show how the product or service will satisfy the needs the group shares.

TASK# I017: Plan for audience participation.

TASK# I018: Provide expert information as to ways in which the product or service can benefit the prospective customer.

TASK# I019: Provide full and complete information about a product line or company service.

Sales Presentation:

Choose a product you would like to sell. Your prospective customer is the buyer for a large discount department store. The product should be an item that this type of store would sell. It should be of a size that you are able to visually present the merchandise in a product demonstration.

Make a 10-15 minute sales presentation to the store's buyer. A classmate will act as the buyer.

Your presentation will be assessed according to the attached rating sheet. Review the sheet before making the presentation to ensure that you cover each point. Practicing at home will improve your presenting skills.

SELLING
ADVANCED MARKETING

TASK# I014, I015, I016, I017, I018, I019

Sales presentation Rating Sheet:

	Excellent	Above Average	Good	Below Average	Unacceptable
I. Professionalism:					
A. Appropriate dress and grooming.	4	3	2	1	0
B. Good eye contact.	4	3	2	1	0
C. Good posture.	4	3	2	1	0
D. Appropriate language.	4	3	2	1	0
II. Introduction:					
A. Introduced self.	4	3	2	1	0
B. Appropriate handshake.	4	3	2	1	0
C. Gained buyer's attention with a strong opening remark.	4	3	2	1	0
III. Product Presentation:					
A. Smooth and natural presentation.	4	3	2	1	0
B. Used a product demonstration to make the presentation more interesting.	4	3	2	1	0
C. Involved the buyer in the product demonstration.	4	3	2	1	0
D. Described 3 or more features of the product and their benefits to the buyer and his/her store.	4	3	2	1	0
E. Asked 2-4 questions to uncover the needs of the buyer.	4	3	2	1	0
F. Explained how the product can fill those needs.	4	3	2	1	0
G. Handled the buyer's objections in a proper manner.	4	3	2	1	0
IV. Closing:					
A. Closed by asking for the sale.	4	3	2	1	0
B. Used suggestion selling to increase the sale.	4	3	2	1	0
C. Thanked the buyer for his/her purchase and time.	4	3	2	1	0

Total Points Possible: 68